



General Assembly

February Session, 2008

Raised Bill No. 622

LCO No. 2755

02755 _____ PH_

Referred to Committee on Public Health

Introduced by:
(PH)

AN ACT CONCERNING CERTIFICATES OF NEED ISSUED BY THE OFFICE OF HEALTHCARE ACCESS.

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

1 Section 1. Subsection (a) of section 19a-637 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2008*):

4 (a) In any of its deliberations involving a proposal, request or
5 submission regarding [rates or] (1) services provided by a health care
6 facility or institution under section 19a-638; (2) capital expenditures by
7 a health care facility under section 19a-639 of the 2008 supplement to
8 the general statutes; and (3) the acquisition of equipment by a person,
9 provider, health facility or institution under section 19a-639 of the 2008
10 supplement to the general statutes, the office shall take into
11 consideration and make written findings concerning each of the
12 following principles and guidelines: The relationship of the proposal,
13 request or submission to the state health plan pursuant to section 19a-
14 7; the relationship of the proposal, request or submission to the
15 applicant's long-range plan; the financial feasibility of the proposal,
16 request or submission and its impact on the applicant's rates and

17 financial condition; the impact of such proposal, request or submission
18 on the interests of consumers of health care services and the payers for
19 such services; the contribution of such proposal, request or submission
20 to the quality, accessibility and cost-effectiveness of health care
21 delivery in the region; whether there is a clear public need for any
22 proposal or request; whether the health care facility or institution is
23 competent to provide efficient and adequate service to the public in
24 that such health care facility or institution is technically, financially
25 and managerially expert and efficient; that rates be sufficient to allow
26 the health care facility or institution to cover its reasonable capital and
27 operating costs; the relationship of any proposed change to the
28 applicant's current utilization statistics; the teaching and research
29 responsibilities of the applicant; the special characteristics of the
30 patient-physician mix of the applicant; the voluntary efforts of the
31 applicant in improving productivity and containing costs; and any
32 other factors which the office deems relevant, including, in the case of
33 a facility or institution as defined in subsection (c) of section 19a-490 of
34 the 2008 supplement to the general statutes, such factors as, but not
35 limited to, the business interests of all owners, partners, associates,
36 incorporators, directors, sponsors, stockholders and operators and the
37 personal backgrounds of such persons. Whenever the granting,
38 modification or denial of a request is inconsistent with the state health
39 plan, a written explanation of the reasons for the inconsistency shall be
40 included in the decision.

41 Sec. 2. Section 19a-639a of the 2008 supplement to the general
42 statutes is repealed and the following is substituted in lieu thereof
43 (*Effective from passage*):

44 (a) Except as provided in subsection (c) of section 19a-639 of the
45 2008 supplement to the general statutes or as required in subsection (b)
46 of this section, the provisions of section 19a-638 and subsection (a) of
47 section 19a-639 of the 2008 supplement to the general statutes shall not
48 apply to: (1) An outpatient clinic or program operated exclusively by,
49 or contracted to be operated exclusively for, a municipality or

50 municipal agency, a health district, as defined in section 19a-240, or a
51 board of education; (2) a residential facility for the mentally retarded
52 licensed pursuant to section 17a-227 of the 2008 supplement to the
53 general statutes and certified to participate in the Title XIX Medicaid
54 program as an intermediate care facility for the mentally retarded; (3)
55 an outpatient rehabilitation service agency that was in operation on
56 January 1, 1998, that is operated exclusively on an outpatient basis and
57 that is eligible to receive reimbursement under section 17b-243; (4) a
58 clinical laboratory; (5) an assisted living services agency; (6) an
59 outpatient service offering chronic dialysis; (7) a program of
60 ambulatory services established and conducted by a health
61 maintenance organization; (8) a home health agency; (9) a clinic
62 operated by the Americares Foundation; (10) a nursing home; or (11) a
63 rest home. The exemptions provided in this section shall not apply
64 when a nursing home or rest home is, or will be created, acquired,
65 operated or in any other way related to or affiliated with, or under the
66 complete or partial ownership or control of a facility or institution or
67 affiliate subject to the provisions of section 19a-638 or subsection (a) of
68 section 19a-639 of the 2008 supplement to the general statutes.

69 (b) Each health care facility or institution exempted under this
70 section shall register with the office by filing the information required
71 by subdivision (4) of subsection (a) of section 19a-638 for a letter of
72 intent at least [ten business] fourteen days but not more than sixty
73 calendar days prior to commencing operations and prior to changing,
74 expanding, terminating or relocating any facility or service otherwise
75 covered by section 19a-638 or subsection (a) of section 19a-639 of the
76 2008 supplement to the general statutes or covered by both sections or
77 subsections, except that, if the facility or institution is in operation on
78 June 5, 1998, said information shall be filed not more than sixty days
79 after said date. Not later than [ten business] fourteen days after the
80 date that the office receives a completed filing required under this
81 subsection, the office shall provide the health care facility or institution
82 with written acknowledgment of receipt. Such acknowledgment shall
83 constitute permission to operate or change, expand, terminate or

84 relocate such a facility or institution or to make an expenditure
85 consistent with an authorization received under subsection (a) of
86 section 19a-639 of the 2008 supplement to the general statutes until the
87 next September thirtieth. Each entity exempted under this section shall
88 renew its exemption by filing current information once every two
89 years in September.

90 (c) Each health care facility, institution or provider that proposes to
91 purchase, lease or accept donation of a CT scanner, PET scanner,
92 PET/CT scanner or MRI scanner, cineangiography equipment or a
93 linear accelerator shall be exempt from certificate of need review
94 pursuant to sections 19a-638 and 19a-639 of the 2008 supplement to the
95 general statutes if such facility, institution or provider (1) provides to
96 the office satisfactory evidence that it purchased or leased such
97 equipment for under four hundred thousand dollars on or before July
98 1, 2005, and such equipment was in operation on or before July 1, 2006,
99 or (2) obtained, on or before July 1, 2005, from the office, a certificate of
100 need or a determination that a certificate of need was not required for
101 the purchase, lease or donation acceptance of such equipment.

102 (d) The Office of Health Care Access shall, in its discretion, exempt
103 from certificate of need review pursuant to sections 19a-638 and 19a-
104 639 of the 2008 supplement to the general statutes any health care
105 facility or institution that proposes to purchase or operate an electronic
106 medical records system on or after October 1, 2005.

107 (e) Each health care facility or institution that proposes a capital
108 expenditure for parking lots and garages, information and
109 communications systems, physician and administrative office space,
110 acquisition of land for nonclinical purposes, and acquisition and
111 replacement of nonmedical equipment, including, but not limited to,
112 boilers, chillers, heating ventilation and air conditioning systems, shall
113 be exempt for such capital expenditure from certificate of need review
114 under subsection (a) of section 19a-639 of the 2008 supplement to the
115 general statutes, provided (1) the health care facility or institution

116 submits information to the office regarding the type of capital
117 expenditure, the reason for the capital expenditure, the total cost of the
118 project and any other information which the office deems necessary;
119 and (2) the total capital expenditure does not exceed twenty-million
120 dollars. Approval of a health care facility's or institution's proposal for
121 acquisition of land for nonclinical purposes shall not exempt such
122 facility or institution from compliance with any of the certificate of
123 need requirements prescribed in chapter 368z if such facility or
124 institution subsequently seeks to develop the land that was acquired
125 for nonclinical purposes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008</i>	19a-637(a)
Sec. 2	<i>from passage</i>	19a-639a

Statement of Purpose:

To codify the Office of Health Care Access' current practice with respect to processes involved with certificates of need.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]