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GOVERNOR

STATE OF CONNECTICUT

OFFICE OF HEALTH CARE ACCESS

Testimony of Commissioner Cristine A. Vogel, MPH

Public Health Committee

Monday, March 10, 2008

**SB 622 An Act Concerning Certificate of Need
Issued by the Office of Health Care Access**

CRISTINE A. VOGEL
COMMISSIONER

Good Afternoon Senator Handley, Representative Sayers, and distinguished members of the Public Health Committee. I am Cristine Vogel, Commissioner of the Office of Health Care Access (OHCA), and I thank you for the opportunity to offer testimony in support of SB 622, An Act Concerning Certificates of Need Issued by the Office of Health Care Access.

Currently, when reviewing Certificate of Need (CON) applications, OHCA is required to take into consideration a set of principles and guidelines which are set forth in Section 19a-637 of our statutes. These guidelines include the financial feasibility, the impact on quality and accessibility, and whether there is a clear public need for the proposal. The language in Section 1 of this bill clarifies that the agency, regardless of the type of applicant, conducts the same level of review according to these guidelines.

The other significant section is Section 2 (e) whereby OHCA proposes to add a new exemption from the CON process for capital expenditures for non-clinical purposes, including parking lots and garages, communications systems, acquisition of land for non-clinical purposes, and acquisition of non-medical equipment such as boilers and HVAC systems. Particularly with regard to non-medical equipment, these types of expenditures are usually a necessity, without which a facility could not function and patient care would be negatively impacted.

OHCA will maintain some level of review over such expenditures. Therefore, this language requires that the health care facility submit particular information, such as the type and amount of the expenditure and the reason for it, so that OHCA can determine if, in fact, the exemption applies. Furthermore, the language specifies that if a non-clinical expenditure exceeds \$20 million dollars, it will not be exempt from CON under this section. Expenditures exceeding \$20 million dollars require a hearing under 19a-639(b)(3) and therefore cannot be exempt from CON. With regard to an exemption for the acquisition of land for non-clinical purposes, the language specifies that the exemption does not extend to any future development of such land.

I want to thank the Committee for raising this bill. As you may be aware, our original proposal did present another section that was not included in the raised bill that would have required a CON for outpatient surgical facilities proposing to add operating rooms to their existing facility. We appreciate and understand the Committee's decision not to include this language and hope that we may continue discussing this issue in the future.

Thank you and I welcome any questions you may have.

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