

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 11-183—HB 5048

Public Health Committee

**AN ACT REQUIRING CERTIFICATE OF NEED APPROVAL FOR THE
TERMINATION OF INPATIENT AND OUTPATIENT SERVICES BY A
HOSPITAL**

SUMMARY: This act requires any hospital seeking to terminate current inpatient or outpatient services to file a certificate of need (CON) application with the Office of Health Care Access (OHCA) division of the Department of Public Health (DPH).

It also requires, under certain conditions, a CON for termination of surgical services by an outpatient surgical facility or a facility providing such services as part of the outpatient surgery department of a short-term acute care general hospital.

Generally, the law requires CON authorization when a health care facility proposes (1) establishing new facilities or services, (2) changing ownership, (3) purchasing or acquiring certain equipment, or (4) terminating certain services.

The act also makes minor, conforming, and technical changes.

EFFECTIVE DATE: Upon passage

CERTIFICATE OF NEED

Termination of Services By a Hospital

Under prior law, a CON was not required for termination of inpatient or outpatient services offered by a hospital, but the facility proposing to terminate such services had to file a modification request with OHCA if the proposed terminated service was originally authorized under a CON. This request had to be filed at least 60 days before the proposed termination request. OHCA had to hold a public hearing on the request if three or more individuals or an individual representing an entity with five or more people submitted a written request for a hearing.

Under the act, a hospital seeking to terminate any inpatient or outpatient service must file a CON application, but would not have to file the modification request.

Under existing law, unchanged by the act, termination of inpatient and outpatient mental health and substance abuse services by a short-term acute general hospital or children's hospital does require a CON authorization.

Termination of Outpatient Surgical Services

Under prior law, a CON was not required for the partial or total elimination of services provided by an outpatient surgical facility. But the requirements for termination of services cited above for hospitals involving a modification request

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applied.

The act instead requires a CON for termination of surgical services by (1) an outpatient surgical facility or (2) a facility providing outpatient surgical services as part of the outpatient department of a short-term acute care hospital. But termination of such services does not require a CON under the act if termination is due to (1) insufficient patient volume or (2) termination of any subspecialty surgical service.

BACKGROUND

Related Acts

PA 11-10 exempts from CON review the acquisition of any equipment by a person used exclusively for scientific research on non-humans.

PA 11-242 (§ 80) requires hospitals and institutions operated by the state to get a CON before terminating inpatient or outpatient services eligible for reimbursement under Medicare or Medicaid. That act also (1) adds podiatrists owning and controlling an outpatient surgical facility to an existing CON exemption concerning transfer or change of ownership (§ 32) and (2) makes changes concerning CON filing and notice procedures (§ 25).

OLR Tracking: JK:JKL:PF:ro