I am here today to testify against SB 795, An Act Establishing the Office of Health Strategy and Improving the Certificate of Need Program.

I am Claudio Capone, Regional Vice President, Strategic Planning & Business Development for Trinity Health - New England, Inc. By way of background, Trinity Health-New England, Inc. (TH - NE) is a regional health ministry which includes Saint Francis Hospital and Medical Center, Mount Sinai Rehabilitation Hospital, Inc. in Hartford, Saint Mary’s Hospital, Inc. in Waterbury, Johnson Memorial Hospital, Inc., in Stafford Springs and The Mercy Hospital, Inc. in Springfield, Massachusetts. In addition, our ministry includes physician practices, a behavioral health hospital and a rehabilitation hospital in Massachusetts, home health and various post-acute care services. We are more than 13,000 health care providers and nearly 1,500 employed and affiliated physicians committed to providing compassionate care and improving the health of our community. We also experience 265,000 emergency department visits, 40,274 surgeries, 63,080 discharges and 5,178 births annually.

In spite of our membership with Trinity Health, a national Catholic healthcare ministry with more than 90 hospitals, we are under significant financial stress due to government underfunding and the Connecticut hospital tax. This year we, TH – NE, paid over $55.6 million due to the State of Connecticut hospital tax alone.

At the outset, it is important to emphasize that Trinity Health - New England greatly appreciates the work of the Governor’s Certificate of Need Task Force and specifically
commends the hard work and collaborative atmosphere championed by Lieutenant Governor Nancy Wyman throughout the CON Task Force’s deliberations.

We firmly believe that the Certificate of Need process, when administered effectively, safeguards the public’s need for access to high quality healthcare services, prevents unnecessary duplication of services, and sets a level playing field for deployment of healthcare resources in a financially responsible way. TH - NE supports a CON program that strives to achieve these goals. What we cannot support are the additional regulatory burdens proposed in this bill; regulations that will not improve quality or access to care for our patients.

SB 795 establishes the Office of Health Strategy which will align state healthcare planning functions and streamline accountability for the implementation of healthcare reform strategies. Trinity Health - New England supports the establishment of the Office of Health Strategy. SB 795 also makes significant modifications to the Certificate of Need (CON) program overseen by the Office of Health Care Access (OHCA). We oppose Sections 2-14, inclusive of the bill, as written, which make troublesome modifications to the CON program overseen by OHCA.

Trinity Health - New England has the following overarching concerns with SB 795 as written:

- As proposed, the CON program increases regulation of hospitals. For example, SB 795 adds a significant new requirement that hospitals obtain a CON if they “reduce” a service, establishing a definition that makes it virtually impossible for a hospital to know when it must obtain a CON. This bill would make it overly burdensome to discontinue a service that is no longer needed by the community served or cannot be practically sustained. In addition, SB 795 creates definitions for cost and market impact review that are so unclear an applicant would be unable to reasonably comply.
• In addition, the CON program changes as proposed do not treat all providers and entities, including insurance companies, equally. For example, a hospital would be required to obtain a CON if it intends to purchase a large medical group. No other provider or entity, including insurance companies, investment firms or a multi-state for-profit management company intending to purchase or control a large physician practice, would be mandated to meet similar requirements.

• Another concern is that SB 795 deletes the requirement that OHCA determine whether there is a clear public need for the facility or services proposed by the applicant. This deletion creates a misplaced focus on market regulation and makes the statute vague, creating confusion for applicants and OHCA by decoupling the CON laws from the absolute core element of the review process; demonstrated need.

• Finally, as proposed, SB 795 takes a step back in OHCA’s ability to ensure the quality of care in certain circumstances. For example, SB 795 removes from the CON program the requirement that a CON be obtained for the establishment of cardiac services.

As you know, hospitals are vital economic engines in our communities. We provide good jobs and are both a life line and a safety net for the people we serve. We view accessible, high quality health care just as necessary for quality of life as public schools, safe streets, transportation, public utilities and police protection. In fact, TH - NE has a tremendous impact on the financial health of our local communities and state. Beyond the lifesaving care we provide 24 hours a day, it is estimated that we have a direct economic impact on our local and state economies of more than $2.3 billion (excluding construction) each year.

We need healthcare policies that are sustainable and improve the quality of and access to care, not more regulation on top of excessive taxes that are crippling our ability to care for our patients.
What is needed is a further dialog between the hospitals, the legislature and the executive branch to find innovative solutions that meet the needs of our communities. We stand ready to work with you.

Thank you for your consideration of our position.