TESTIMONY OF
Middlesex Hospital
BEFORE THE
PUBLIC HEALTH COMMITTEE
March 20, 2017

SB 795, An Act Establishing The Office Of Health Strategy And Improving The Certificate Of Need Program

Middlesex Hospital appreciates the opportunity to testify on **SB 795, An Act Establishing The Office Of Health Strategy And Improving The Certificate Of Need Program**

Middlesex Hospital serves more than **13,000 inpatients and 600,000 outpatients each year**. We employ **over 3,000 people** and support a **400 member medical staff**. Beyond the lifesaving care we provide 24 hours a day, we contribute millions of dollars to our local and state economies each year and invest **over $60 million annually in improving the health of our community**. Thousands of Middlesex County residents, who could not pay, received care and services through our Community Benefit Programs.

This job is much harder because we are under significant financial stress. In addition to government underfunding, we **already pay a hospital tax of $21 million each year**. That’s money we would have invested back into our community for the health and wellness of our residents. Instead, we have had to reduce community benefit programs, reduce resources and staffing that were available to patients resulting in more of Connecticut’s residents being underserved. We do not have the resources necessary to make repairs and improvements to our facilities and we are not purchasing technology that would improve the health and outcomes of our patients.

In addition, to this significant financial stress, SB 795, as drafted, creates an unsustainable regulatory environment. SB 795 establishes the Office of Health Strategy and makes significant modifications to the Certificate of Need (CON) program overseen by the Office of Health Care Access (OHCA). Middlesex Hospital opposes Sections 2-14, inclusive, as written.
Middlesex Hospital participated in the Governor’s CON Task Force and appreciates the work of that Task Force and, most specifically, the work and collaborative atmosphere promoted by Lt. Governor Nancy Wyman throughout the Task Force’s deliberations.

As the healthcare system undergoes significant transformation, hospitals continue to be focused on the health and well-being of every Connecticut citizen. The goals of this transformation are improved access to care, improved quality and safety, and reduced cost. The CON program, when fairly implemented, plays an important role in achieving these goals.

CON, when administered effectively, safeguards the public’s need for access to high quality health services, prevents unnecessary duplication of services, and sets a level playing field for deployment of healthcare resources in a financially responsible way. Middlesex Hospital supports a CON program that strives to achieve these goals, but cannot support regulatory burdens that will not improve quality or access to care.

Middlesex Hospital has the following overarching concerns with SB 795, as written:

- **As drafted, SB 795 deletes the requirements that OHCA determine whether there is a clear “public need” for the facility or services being proposed by the applicant.** This deletion creates a new focus on market regulation, and makes the statute unreasonably vague, creating confusion for applicants and also decoupling the CON laws from the most important core element for the review process: need.

- **As proposed, the CON program does 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 an investment firm or multi-state for-profit management company that intends to purchase or control a large physician practice, would have to meet similar requirements. **All providers of care must be treated equally.** In addition, the modifications to the CON program would eliminate the state’s oversight on significant types of specialty hospitals.

**One of the CON Task Force’s guiding principles was to ensure that their recommendations would promote access to high quality safe care for all – especially the underserved population and in underserved areas.** Only not for profit organizations such as hospitals will provide care for the population who does not have adequate insurance coverage or the ability to pay. Private entities having a profit motive will not be providing services in our underserved areas.
• **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 – with a definition that makes it virtually impossible for a hospital to know when it needs to obtain a CON. The bill would make it overly burdensome to discontinue a service that is not needed or cannot be practically sustained. In addition, SB 795 creates definitions for the cost and market impact review that are so unclear that an applicant would never be able to comply reasonably.

• 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 CON the requirement that a CON be obtained for the establishment of cardiac services.

*Middlesex Hospital is the cornerstone of our community.* We provide good jobs and are a literal lifeline to the people we serve. We need healthcare policies that are sustainable and improve the quality and access to care, not more regulation on top of excessive taxes that are just bad policy.

We need you to preserve healthcare in Connecticut, and stand ready to work with you. **A level playing field for all providers of care is an essential building block.** Thank you for your consideration of our position.