

Oppose House Bill 3657 as Amended

Massive & Unworkable Changes to the CON Process Threatening Access to Care

Issue: House Bill 3657, as amended, attempts to make significant and onerous changes to the Certificate of Need (CON) process in ways that will discourage healthcare transformation and result in more service line and hospital closures.

IHA Position: IHA appreciates the concerns raised in response to hospital and service line closures, particularly in underserved areas of the state. However, the changes proposed in this legislation are unworkable, will not improve quality or access to care for these communities, and will discourage investment and collaboration by hospitals.

Background: Under the current Health Facilities Planning Act, a facility must provide prescribed notice to legislators and the community regarding their intent to close and receive a Certificate of Need (CON) to close the facility from the Health Facilities and Services Review Board. Further, hospitals are limited to ending a category of service to one every 6 months. Among other items, HB 3657 changes the current law as follows:

- Adds significant reporting requirements to an already arduous CON application.
- Extends the already lengthy review period of all substantive CON applications by the Board to up to 6 months, even those not related to a closure or service line discontinuation.
- Permits the Board to add financial repayment conditions to a permit to close a hospital.
- Adds egregious fines for certain violations of the Act, upwards of \$1 million.

HB 3657 should be opposed because:

- It will cause more facility and service line closures by discouraging hospital collaborations and partnerships that are necessary to better coordinate care, improve health outcomes and address healthcare disparities.
- It will increase the cost of care and hinder innovation and transformation in an ever-changing and evolving healthcare environment. Hospitals and health systems must have flexibility to adjust to the needs of the communities they serve.
- The legislation ignores key components to the maintenance of a facility and patient safety, including the quality of care provided and the volume necessary to maintain that quality.
- IHA and the hospital community have negotiated, in good faith, significant changes to the CON process over the last 3 years. Such changes should be given the opportunity to work prior to a carte blanche re-write of the statute.

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Oppose Massive & Costly Changes to the CON Process Threatening Access to Care