

Community Health Planning and CON Reform

CNYHSA

Central New York
Health Systems Agency
5700 Commons Park Drive
East Syracuse, NY 13057



(315) 472-8099 (Tel)
(315) 472-8033 (Fax)
e-mail: cnyhsa@cnyhsa.com
www.cnyhsa.com

SHRPC Planning Committee Presentation
Timothy J. Bobo, Executive Director
July 23, 2008

Good afternoon Mr. Kennedy, Dr. Berliner, members of the Planning Committee and Department staff. I am pleased at the opportunity to provide input on the topic of CON Reform on behalf of CNYHSA. Our agency has been involved in CON review for over 30 years and I believe that it is important to maintain and enrich the CON process at the local level. There is also a real advantage in linking CON reviews to local planning which has the potential for collaboration and development of projects that grow out of the planning and consensus-building process.

Value of Local CON Process

There is considerable value in local input in the CON process – local participation fosters credibility and legitimacy. It needs to be broad-based and reflect the interests of different parties (e.g. consumers, providers, government, payors, business). It brings with it a better understanding of local needs and factors which may be unique to the area. This is confirmed by our experience with reviews over the past several years:

- In dialysis, where a hospital vs. private practice application were clearly duplicative, the local process was a major factor in a resulting partnership approach.
- A “community dialogue” component of our review of the Upstate Medical Children’s Hospital proposal dealt with concerns of outlying hospitals for more active participation in a collaborative regional approach to pediatric services.
- A Cayuga Medical Center Radiation Oncology review brought out the dynamics between hospital and private practice approaches and the need for a single integrated solution focused on the continuum of cancer treatment services.
- One hospital cardiac catheterization review documented hospital size and utilization as a major factor for approval. Another review highlighted the need for cooperation with neighboring hospitals and physicians.

A local CON process can, and should be, focused, selective, and concentrate on proposals that have high impact on the community, relate to technology diffusion or specialty care, are political sensitive or controversial, represent obvious duplication, are based on poor or inflated documentation of need, or may be inappropriate for the type of facility.

Population-based Approaches

CON reviews can be improved by use of more population-based, as opposed to, provider-based approaches to understanding of need. CNYHSA work in this area has included:

- Radiation Oncology: we created an Upstate database by using Finger Lakes HSA data, a local CNYHSA provider survey, and telephone interviews with Northeast NY providers)
- Cardiac Catheterization: we downloaded data from state CON and operating certificate files and discovered that the hospital under review was one of a few with 200+ beds that didn't have the service while a high proportion of smaller hospitals did.
- Chronic Dialysis: we abstracted data from a statewide DOH report, found a population-based zip code database unknown to the Department and used national survey data on age and race-specific trends.

More updated population-based methodologies for examining need should also be pursued, and allow for dialogue and debate between state and local planning interests on ways to measure need. Very little research on need methodology topics has taken place in the last 15-20 years.

These recommendations are consistent with the Department's objective to promote population-based planning which I heartily support. I note, however, that the recent SPARCS annual report multi-year posting has dropped all population-based tables.

Electronic Access to CON's

For public notice purposes, the Department should consider development of an on-line CON data base that is searchable and selectable by provider, date, and location. A one page CON form might even be required that summarizes all aspects of a proposal that can be a viewable, downloadable PDF attachment, much like surveillance reports are prepared for facilities or disciplinary actions for physicians. The design should also allow stakeholders and others to submit comments electronically. We currently use our own web site (www.cnyhsa.com) in a limited fashion for CON notifications and feedback. In expanding our CON activities, we might also issue "interested party" letters to solicit input.

Collaboration

The Department's local health planning RGA is a substantive step in promoting collaboration. The mix of local projects anticipated under this program may provide a good means for testing "best practices" in support of collaborative efforts. The projects would also benefit from a partnership with the Department to concentrate resources on high-potential collaborations, building on the Berger Commission implementation experience and use of CON as a tool to promote coordination. Providing access to data and promoting discussions involving local stakeholders and provider entities are two additional things the Department can do to support collaborative efforts.

Health Planning Models

Speaking from experience in Central NY, my bias is for a model that incorporates or builds on the basic characteristics of a health systems agency. These include:

- a regional focus and responsibility
- a Board structure that is diverse and representative of major stakeholders (e.g., consumers, providers, government, payors, and business), and not tied to any single interest group or association.
- a process and criteria for carrying out CON reviews
- access to data and an analytical capability with professional staff resources to carry out planning and review functions, needs assessments, special studies, etc.

CON Submission and Review Process

Several types of changes in the process should be considered. The Administrative Review process and application form should be streamlined to have "real" administrative reviews and perhaps allow for administrative disapprovals. Recent changes in forms now require the same informa-

tion and schedules as a Full Review application. The concept of a “Limited Review” might also be expanded to a class of proposals involving minor renovation, simple service relocation, or other relatively minor changes. What would remain is Department oversight on architectural, reimbursement, or site inspection requirements related to the project.

Financial impact is a difficult issue given the relatively small marginal impact of almost any single project or service on the overall cost of care. How it should be applied in CON review could first be explored through development of standards, guidelines, and principles of cost effectiveness. Finally, it is appropriate that need methodologies be modified to better reflect factors which include the unique needs of rural areas, promotion of growth in community-based long-term care, and health disparities. Some type of scoring or “weighting” might be applied to account for these types of factors.

In closing, let me emphasize that the CON process is wholly justified to the extent that it contributes to improved health care and health care outcomes, access, and quality and at the same time results in cost-effective investment decisions and cost-savings. In the end, it should promote more proactive, rather than reactive outcomes, ones that are less institution-based and more reflective of collaborative efforts on a community-wide basis.

Thank you once again for the opportunity to speak before you this afternoon.