

Recommendation of the CON Task Force Regarding a State Health Plan

The TF recommends that a designated state agency, the Governor's office, or other public body undertake a biennial strategic health planning process. This planning process would factor in specific quality criteria and population health indicators, and would coordinate the efforts of various state agencies including those tasked with licensure, reimbursement, and data systems. The state health plan would be concerned with the stability of the health system, encompassing health care financing, services, quality, and the availability of information and services for all residents.

The TF recommends that the state health plan include the following components: rationale, participants, description of the existing health system, description of the desired health system, action plan for implementation, evaluation methods, and definitions. The plan must provide attention to expenditure control, and integrate criteria for evidence-based medicine into the planning process.

The TF recommends that both consumers and providers throughout the state be involved in the health planning process. Desired outcomes should be clearly articulated and available for public review. The TF views the CON Program as a component of the state health plan that would contribute to its public policy goals. The CON Program's purpose is to facilitate access to quality care at a reasonable cost for all residents, encourage optimal use of existing health care resources, foster expenditure control, support quality improvement efforts, and prevent unnecessary duplication of health care facilities, medical equipment and health services.

The TF also recommends that an expanded and independently funded data system support the review and monitoring of the health care facilities, medical equipment and health services regulated by the CON Program. There must be regular evaluation of the impact of the CON Program on health care expenditures, access, quality, and innovation.

Washington State Certificate of Need Program
Task Force Report
Recommendations

1. Purpose and Goals

ESSHB 1688, Section 3(2) directs the TF to undertake:

- (b) A review of the purpose and goals of the current certificate of need program, including the relationship between the supply of health services and health care outcomes and expenditures in Washington state;*

After much discussion, the TF concluded that the CON Program would be most effective within the context of a broader state health planning process supported by an adequate data reporting system.

With this perspective, the TF recommends RCW 70.38.015 to read as follows. Specific changes may be seen in Appendix C-1.

It is declared to be the public policy of this state:

- (1) That a strategic health planning process, responsive to changing health and social needs and conditions, is essential to the health, safety, and welfare of the people of the state. Such a process shall be reviewed and updated biennially by a designated state agency or body:
 - (a) To promote, maintain, and assure the health of all citizens in the state;
 - (b) To provide accessible health services through the maintenance of an adequate supply of health facilities and an adequate workforce;
 - (c) To control excessive increases in costs;
 - (d) To apply specific quality criteria and population health indicators;
 - (e) To recognize prevention as a high priority in health programs;
 - (f) To address periodic priority issues including disaster planning, public health threats, and public safety dilemmas; and
 - (g) To coordinate efforts among state agencies including those tasked with facility, services, and professional provider licensure; state and federal reimbursement; health service utilization data systems; and others;
- (2) That both consumers and providers throughout the state shall be involved in this health planning process, outcomes of which shall be clearly articulated and available for public review and use;
- (3) That the CON Program is a component of a health planning regulatory process that:
 - (a) Contributes to state health plan and public policy goals that are:
 - (i) clearly articulated, and
 - (ii) regularly updated;
 - (b) Balances considerations of:
 - (i) access to quality care at a reasonable cost for all residents,

- (ii) optimal use of existing health care resources,
 - (iii) fostering of expenditure control, and
 - (iv) elimination of unnecessary duplication of health care facilities and services;
 - (c) Supports improved health care outcomes by:
 - (i) basing decisions on the best available evidence and information, and
 - (ii) continuously monitoring compliance;
 - (d) Is accountable for maintaining the resources necessary for high quality decisions that are timely and consistent; and
 - (e) Regularly evaluates the impact of capacity management on health service expenditures, access, quality, and innovation;
- (4) That the development and ongoing maintenance of adequate health care information, statistics, and projections of need for health facilities and services are essential to effective health planning; at a minimum, available data shall support the review and monitoring of the specified health care facilities and services regulated by the CON Program;
- (5) That the development of other approaches to health care expenditure control shall be considered, including the strengthening of competition; and
- (6) That strategic health planning shall be concerned with the stability of the health system, encompassing health care financing, quality, and the availability of information and services for all residents.

A detailed table showing the TF's worksheet appears in Appendix C-1 (RCW 70.38.015 subsections 1, 2, 3, 4, 5, and 6).

2. Criteria for Review of CON Applications

ESSHB 1688, Section 3(2) directs the TF to examine:

- (d) The criteria for review of certificate of need applications, as currently defined in RCW 70.38.115, with the goal of having criteria that are consistent, clear, technically sound, and reflect state law, including consideration of:*
- (i) Public need for the proposed services as demonstrated by certain factors, including, but not limited to:*
 - (A) Whether, and the extent to which, the project will substantially address specific health problems as measured by health needs in the area to be served by the project;*
 - (B) Whether the project will have a positive impact on the health status indicators of the population to be served;*
 - (C) Whether there is a substantial risk that the project would result in inappropriate increases in service utilization or the cost of health services;*
 - (D) Whether the services affected by the project will be accessible to all residents of the area proposed to be served; and*
 - (E) Whether the project will provide demonstrable improvements in quality and outcome measures applicable to the services proposed in the project, including whether there is data to indicate that the proposed health services would constitute*

Appendix C-1
Recommended Legislative Changes to RCW 70.38.015

Recommended Changes to RCW 70.38.015 (subsections 1, 2, 3, 4, 5, and 6)	Existing	Revised	New
It is declared to be the public policy of this state:			
(1) That a strategic health planning process, to promote, maintain, and assure the health of all citizens in the state, to provide accessible health services, health manpower, health facilities, and other resources while controlling excessive increases in costs, and to recognize prevention as a high priority in health programs, is essential to the health, safety, and welfare of the people of the state. Health planning should be responsive to changing health and social needs and conditions, is essential to the health, safety, and welfare of the people of the state. Such a process shall be reviewed and updated biennially by a designated state agency or body;		X	
(a) To promote, maintain, and assure the health of all citizens in the state;		X*	
(b) To provide accessible health services through the maintenance of an adequate supply of health facilities and an adequate workforce, health manpower, health facilities, and other resources;		X	
(c) To while controlling excessive increases in costs;		X*	
(d) To apply specific quality criteria and population health indicators;			X
(e) To recognize prevention as a high priority in health programs;			X
(f) To address periodic priority issues including disaster planning, public health threats, and public safety dilemmas;			X
(g) To coordinate efforts among state agencies including those tasked with facility, services, and professional provider licensure; state and federal reimbursement; health service utilization data systems; and others;			X
(h) To recognize the close interrelationship of health planning concerns and emphasize health care expenditure control, including cost-effectiveness and cost-benefit analysis; and			X
(i) To integrate criteria for evidence-based medicine;			X
(2) Involvement in health planning from That both consumers and providers throughout the state should shall be encouraged involved in this health planning process, outcomes of which shall be clearly articulated and available for public review and use;		X	
(2) That the development of health services and resources, including the construction, modernization, and conversion of health facilities, should be accomplished in a planned, orderly fashion, consistent with identified priorities and without unnecessary duplication or fragmentation;		X	
(3) That the certificate of need program is a component of a health planning regulatory process that:			X
(a) Contributes to state health plan and public policy goals that are: (i) Clearly articulated, and (ii) Regularly updated;			X

Recommended Changes to RCW 70.38.015 (subsections 1, 2, 3, 4, 5, and 6)	Existing	Revised	New
(b) <u>Balances considerations of:</u> (i) <u>Access to quality care at a reasonable cost for all residents,</u> (ii) <u>Optimal use of existing health care resources,</u> (iii) <u>Fostering of expenditure control, and</u> (iv) <u>Elimination of unnecessary duplication of health care facilities and services;</u>			X
(c) <u>Supports improved health care outcomes by:</u> (i) <u>Basing decisions on the best available evidence and information, and</u> (ii) <u>Continuously monitoring compliance;</u>			X
(d) <u>Is accountable for maintaining the resources necessary for high quality decisions that are timely and consistent;</u>			X
(e) <u>Regularly evaluates the impact of capacity management on health service expenditures, access, quality, and innovation;</u>			X
(f) <u>Utilizes detailed criteria, standards, and need methodologies, both general and service/facility specific, that are updated at least biennially, after consultation with a technical advisory committee;</u>			X
(g) <u>Is conducted in a transparent and accountable manner;</u>			X
(h) <u>Provides request for-proposal invitations for certificate of need proposals based on service needs determined in the state health plan; and</u>			X
(i) <u>Use expedited and/or abbreviated cycles for applications that comply with the state health plan and have minimal impact on area health services;</u>			X
(34) That the development and <u>ongoing</u> maintenance of adequate health care information, statistics and projections of need for health facilities and services is <u>are</u> essential to effective health planning and resources development; <u>at a minimum, available data shall support the review and monitoring of specified health care facilities and services regulated by the certificate of need program;</u>		X	
(45) That the development of nonregulatory other approaches to health care <u>expenditure control</u> should <u>shall</u> be considered, including the strengthening of price competition; and		X	
(56) That <u>strategic health planning</u> should <u>shall</u> be concerned with public health and health care financing, access, and quality, recognizing their close interrelationship and emphasizing cost control of health services, including cost effectiveness and cost-benefit analysis <u>the stability of the health system, encompassing health care financing, quality, and the availability of information and services for all residents.</u>		X	

*Technical corrections to improve readability without changing intent or meaning.