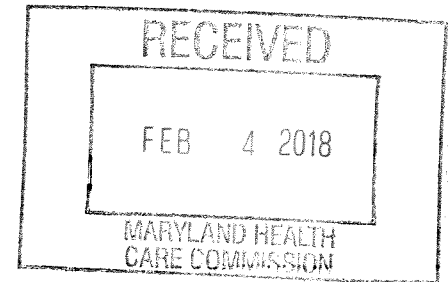




January 2, 2018

Paul Parker
Director, Center for Health Care Facilities Planning and Development
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

RE: MHCC CON Study: 2017-2018



Dear Dr. Moffit,

Ashley Addiction Treatment received the request for comments on the Certificate of Need program and respectfully submits the following for consideration:

Need for CON Regulation:

Choice number 2: CON Regulation of hospital capital projects should be reformed.

Issues/Problems

The Impact of CON Regulation on Hospital Competition and Innovation:

1. *In your view, would the public and the health care delivery system benefit from more competition among health care facilities?*

We believe that all Caveat: needs to be highly qualified participants that would all meet a standard criteria.

2. *Does CON regulation impose substantial barriers to market entry for new health care facilities or new health care services? If so, what changes in CON regulation should be implemented to enhance competition that would benefit the public?*

The CON regulation does impose barriers to new health care services. The CON should ensure a consistent standard of quality in health care, but by imposing substantial barriers to market entry for new and existing health care providers it prevents the public from benefiting from a range of services and price choices in healthcare.

3. *How does CON regulation stifle innovation in the delivery of health care services under the current Maryland regulatory scheme?*

The CON regulation stifles innovation by regulating what the health care provider does. New treatment modalities and criteria need to be considered during the CON process. We feel strongly that the Health Care Commissioners and Health Commission staff were not

educated about the latest substance use disorder treatment methods and was biased against the treatment model of Ashley.

Scope of CON Regulation

4. *Should the scope of CON regulation be changed?*

- a. Are there health care facility projects that require approval by the Maryland Health Care Commission that should be deregulated?

Yes, the scope of the CON regulation should be changed to account for current costs. The minimum financial requirement that triggers the need for a CON is too low and does not account for current costs. Additionally, if an organization has already successfully completed the CON process there should be a streamlined/fast track approach to allow organizations to make additions/expansions in a timely manner.

- b. Are there health care facility projects that do not require approval by the Maryland Health Care Commission that should be added to the scope of CON regulation?

We are unsure on this issue.

The Project Review Process

5. *What aspects of the project review process are most in need of reform? What are the primary choke-points in the process?*

The extended time it takes to go through the CON process is the primary choke-point. The follow up process takes too long; the requirement that an organization must wait until the Commission meets in order to proceed with the project delays completion and drives up costs. Regulators should not have preconceived opinions of how an organization delivers care when that organization has met the COMAR regulations.

6. *Should the ability of competing health care facilities or other types of providers to formally oppose and appeal decisions on projects be more limited?*

Interested parties should always have a say in order to ensure a level playing field. Transparency needs to be ensured.

7. *Are project completion timelines, i.e., performance requirements for implementing and completing capital projects, realistic and appropriate?*

The project completion timelines require modification. The formula for budget calculation is outdated and does not meet current construction criteria. Organizations should have flexibility to report to commission staff when projects are delayed by environment, budget, etc. while continuing the project. Currently, organizations are forced to delay projects while waiting on the Commission staff schedule, increasing costs.

The State Health Plan for Facilities and Services

8. *In general, do State Health Plan regulations for health care facility and service projects provide adequate and appropriate guidance for the Commission's decision-*

making? What are the chief strengths of these regulations and what do you perceive to be the chief weakness?

The chief weaknesses are the timelines; meeting dates; and the need for better communication between commissioners and commission staff.

9. *Do State Health Plan regulations focus attention on the most important aspects of health care facility projects? Please provide specific recommendations if you believe that the regulations miss the mark.*

We believe that the regulations did not focus on the most important aspects of healthcare. For example, Ashley Addiction Services wanted to provide services to more people, but it seemed like the Commission did not focus on the need for more health care access points.

10. *Are the typical ways in which MHCC obtains and uses industry and public input in State Health Plan development adequate and appropriate? If you believe that changes should be made in the development process for State Health Plan regulations, please provide specific recommendations.*

The methodology for developing the capital project budget is outdated.

General Review

Criteria for all Project Reviews

11. *Are these general criteria adequate and appropriate? Should other criteria be used? Should any of these criteria be eliminated or modified in some way?*

COMAR contains 5 general criteria; we would add a sixth criteria: "Quality of Care".

CHANGES/SOLUTIONS

Alternatives to CON Regulation for Capital Project

12. *If you believe that CON regulation of health care facility capital projects should be eliminated, what, if any, regulatory framework should govern health care facility capital projects?*

N/A

13. *What modifications would be needed in HSCRC's authority if any, if the General Assembly eliminated CON regulation of hospital capital projects.*

N/A

14. *Are there important benefits served by CON regulation that could only be fully or adequately met with alternative regulatory mechanisms?*

N/A (Ashley is not regulated by these charges.)

The Impact of CON Regulations on Hospital Competition and Innovation

15. *Do you recommend changes in CON regulations to increase innovation in service delivery by existing health care facilities and new market entrants? If so, please provide detailed recommendations.*

N/A

16. *Should Maryland shift its regulatory focus to regulation of health care facility and health systems merger and consolidation activity to preserve and strengthen competition for hospital service?*

N/A

Scope of CON Regulations

17. *Should MHCC be given more flexibility in choosing which health care facility projects require approval and which can go forward without approval, based on adopted regulations for making these decisions?*

Yes, there should be more flexibility. Those organizations that are already qualified should be fast tracked for future projects, not be made to repeat the entire process again.

18. *Should a whole new process of expedited review for certain projects be created? If so, what should be the attributes of the process?*

Yes. Organizations who have successfully completed the CON process should be recognized as certified and in a different category from organizations who need to begin the process.

The Project Review Process

19. *Are there specific steps that can be eliminated?*

The process should not be beholden to the HCSC; the budget should not be a stumbling block in the review process.

20. *Should post-CON approval processes be changed to accommodate easier project modifications?*

Absolutely. A more streamlined response from staff should be created. Not everything should hinge on the meeting schedule of the Commission.

21. *Should the regulatory process be overhauled to permit more types of projects to undergo a more abbreviated form of review? If so, please identify the exemptions and describe alternative approaches that could be considered.*

Yes. Details above.

22. *Would greater use of technology, including the submission of automated and form-based applications, improve the application submission process?*

Yes.

Duplication of Responsibilities by MHCC, HSCRC, and the MDH

23. Are there areas of regulatory duplication in health care facility regulatory processes that can be streamlined between HSCRC, MHCC, and MDH?

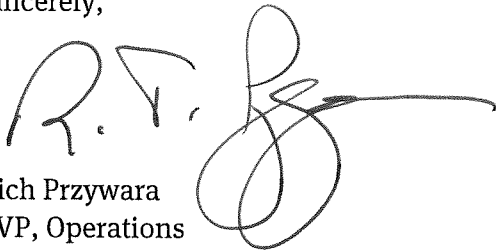
N/A

24. Are there other areas of duplication among the three agencies that could benefit from streamlining?

N/A

We are happy to discuss our responses with you at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Przywara', with a long horizontal flourish extending to the right.

Rich Przywara
SVP, Operations

Telephone: 410-273-2316

Email: RPrzywara@ashleytreatment.org