

Certificate of Need

Criteria Guide

Criteria for Review of an Application for Certificate of Need (CON) COMAR 10.24.01.08G(3)

An overview of the CON Program may be found at:

https://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_con/documents/con_overview_revised_20231201.pdf

CRITERIA	HOW TO SATISFY IT
	For each criterion, in addition to following the instructions in the specific CON application, address the areas that follow.
<p><u>10.24.01.08G(3)(a) State Health Plan.</u> An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards.</p>	See relevant State Health Plan chapter.
<p><u>10.24.01.08G(3)(b) Need.</u> The Commission shall consider the applicable need analysis in the State Health Plan. If no State Health Plan need analysis is applicable, the Commission shall consider whether the applicant has demonstrated a need for the proposed project.</p>	<p>Address the way(s) in which the proposed project is consistent with any specific applicable need standard or need projection methodology in the State Health Plan.</p> <ol style="list-style-type: none"> a) State the health services offered and identify the primary service area. b) Identify the population that will be served by the project and any projections of changes to the population numbers and demographics of the patients to be served. c) Quantify the community need for the project and how the proposed project—through development, relocation, or renovation—meets the need. Include historical data (up to two years), current bed utilization, and/or waiting lists for services. d) For facility modernization projects, identify the age of the physical plant, any safety issues, or standards of care issues with the existing facility. Compare the age of the physical plant to other facilities in the state. e) Cite all sources of information, data, and assumptions used in the need analysis. <p>Complete the Statistical (Utilization) Projection (existing facilities and/or new facilities as applicable) worksheets/tables as applicable in the CON Table Package. Projections made in these sheets must be consistent with Revenue and Expenses under the Financial Feasibility criteria.</p>
<p><u>10.24.01.08G(3)(c) Alternatives to the Project.</u> The Commission shall consider the alternative approaches to meeting the need identified for the project that were considered by the applicant in planning the project and the basis for the applicant’s choice of the project among considered alternatives. In a comparative review of applications within the same review cycle, the Commission shall compare the costs and the likely effectiveness of alternative projects in meeting identified needs, improving the availability and accessibility of care, and improving the quality of care.</p>	<p>Describe the planning process that was used to develop the proposed project.</p> <ol style="list-style-type: none"> a) State the primary goals or objectives of the project. b) Identify two alternative approaches to meeting the need/solving the community problem. For each alternative, include an analysis of the level of effectiveness in goal achievement, cost, access to care, and any other factors. c) Explain why the alternative approaches were not considered and why your approach was selected. d) Cite all sources of information, data, and assumptions used in the analysis.

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<p><u>10.24.01.08G(3)(d) Project Financial Feasibility and Facility or Program Viability.</u> The Commission shall consider the availability of resources necessary to implement the project and the availability of revenue sources and demand for the proposed services adequate to ensure ongoing viability and sustainability of the facility to be established or modified or the service to be introduced or expanded.</p>	<p>Provide the following information:</p> <ol style="list-style-type: none"> a) For equity financing, cite source of funds. b) For debt financing, cite bond issuer and terms for bonds, including rating. c) For loans, cite lender and all terms of loan. d) For grant funding, identify the grant that has been or will be pursued and document the eligibility of the proposed project for the grant. e) If the source of funding is another entity or an affiliated organization, explain the relationship and show which entity is responsible for (1) funding and (2) completion. f) Show historical (up to two years), current year and projected utilization two years after project completion/start of services/operations. g) Describe and document relevant community support for the proposed project. h) Provide revenue estimates. Estimates should be consistent with utilization projections and be based on current charge levels, rates of reimbursement, contractual adjustments and discounts, bad debt, and charity care provision, as experienced by the applicant facility or, if a new facility, the recent experience of similar facilities. i) Provide workforce expense projections and explain salaries that are less than industry standards. Overall workforce expense projections should be consistent with utilization projections and be based on current expenditure levels and reasonably anticipated future staffing levels as experienced by the applicant facility or, if a new facility, the recent experience of similar facilities. j) Provide the process and assumptions used for the determination of historical, current, and projected charity care as applicable. k) State all assumptions and the basis for the financial analysis. <p>Note: If audited documents are unavailable and a letter from a certified public accountant (CPA) is submitted instead, the letter must be from an independent CPA, not associated with the applicant. The letter must state the amount of funds available for the necessary implementation of the project.</p> <p>Complete the Revenue and Expenses projection as well as the staffing/workforce (existing facilities and/or new facilities as applicable) worksheets/tables as applicable in the CON Table Package. Projections made in these sheets must be consistent with Statistical Utilization Projections under the Need criteria.</p>
<p><u>10.24.01.08G(3)(e) Compliance with Terms and Conditions of Previous Certificates of Need.</u> An applicant shall demonstrate compliance with all terms and conditions of each previous CON granted to the applicant.</p>	<p>List previous CONs</p> <ol style="list-style-type: none"> a) List any instances of non-compliance. b) Describe any remediation to address the non-compliance. c) Describe any policy changes to ensure that the non-compliance will not be repeated.

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<p><u>10.24.01.08G(3)(f) Project Impact.</u> The Commission shall consider the impact of the proposed project on the costs and charges of existing providers of the facilities and services included in the project and on access to those facilities and services in the service area of the project.</p>	<p>Identify the impact of this new or expanded health service on the health care delivery system and the existing health care providers, particularly those in the same geographic area or serving the same population(s). Discuss the impact on:</p> <ul style="list-style-type: none"> a) Historical (up to two years) and current volume of service provided by existing providers. b) Number of patients/clients served. c) Resources, including workforce recruitment and hiring. d) Payer mix. (If an applicant for a new facility/service claims <i>no impact</i> on payer mix, the applicant must identify the likely source of any expected increase in patients by payer). e) Costs, charges, and revenue. f) State's burden of costs for these services, as applicable. <p>Discuss both positive and adverse impact and state and support the assumptions used in this analysis of the impact on access.</p>
<p><u>10.24.01.08G(3)(g) Health Equity.</u> The Commission shall consider how a proposed project will address health care disparities in availability, accessibility, and quality of care among different populations within the service area. The Commission shall consider how social determinants of health within the service area of the proposed project create disparities in the delivery of health care.</p>	<p>Identify the populations affected by the health condition and state any health disparities in access/utilization, outcomes, and/or differences in disease burden, treatment, mortality, opportunity, injury, or violence.</p> <ul style="list-style-type: none"> a) Include information that describes the disparity such as geographic, demographic (e.g., race/ethnicity, age, immigration status), and linguistic. b) State the social determinants of health (SDOH) that may influence the health disparity or difference, particularly in the primary service area. c) State at least two strategies that the applicant will implement to address the health disparity and/or SDOH, including any outreach strategies and collaborations to reach communities facing disparities. d) Identify the performance measures that will show the applicant's output and outcomes related to its strategies. e) Identify applicant policies, or provisions within policies, that aim to reduce disparities and promote health equity. f) Describe any training and staff recruitment strategies to address cultural competency and implicit bias. <p>Applicants may review MHCC's resources on Health Equity.</p>

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<p><u>10.24.01.08G(3)(h) Character and Competence.</u> The Commission shall assess the character and competence of an applicant based upon experience and past performance, including any records of violation in operating a health care service or facility.</p>	<p>Provide information that demonstrates the character—the ethical values and moral principles—and the competence—the technical skills and knowledge needed to effectively manage the healthcare service—of the applicant.</p> <ul style="list-style-type: none"> a) Describe the leadership of the organization, including professional membership, relevant industry credentials, and educational background, as relevant. b) Identify accreditation status, star rating(s), or other measures of the applicant's competence in health care services. (If an applicant has less than favorable rating/score, the applicant must identify its plan of correction and strategies to improve performance). c) State the quality indicators of the health care service and identify which ones the applicant will use and at what frequency. d) Indicate how the applicant will either gain or maintain skill and competence in the health service. e) State plans regarding employee requirements, professional development, continuing education, and organizational accreditation, as relevant.