

Overview of Maryland Certificate of Need (CON) Program

The Maryland Certificate of Need (CON) program is intended to ensure that new health care facilities and services are developed in Maryland only as needed and that, if determined to be needed, that they are:

- The most cost-effective approach to meeting identified needs;
- Of high quality;
- Geographically and financially accessible;
- Financially viable; and
- Will not have a significant negative impact on the cost, quality, or viability of other health care facilities and services.

The program functions by requiring review and approval of certain types of proposed health care facility and service projects by the Maryland Health Care Commission. Approved projects are awarded a Certificate of Need, authorizing the project applicants to implement the approved project within the approved spending level and on a timely basis. The policy objectives and standards established by the Commission in the State Health Plan provide the basis for review of proposed projects.

Coverage

With certain exceptions, a Certificate of Need is required to:

- Build, develop, or establish a new health care facility;
- Move an existing health care facility to another site;
- Change the bed capacity of a health care facility;
- Change the type or scope of any health care service offered by a health care facility; or
- Make a health care facility capital expenditure that exceeds a threshold established in Maryland statute.

Review Criteria

Maryland law requires that the Commission consider eight criteria in its review of CON applications:

State Health Plan. An application for a CON shall be evaluated according to all relevant State Health Plan standards, policies, and criteria. (For specific information on State Health Plan standards, [Click here](#))

Need. 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 unmet needs of the population to be served and established that the proposed project meets those needs.

Availability of More Cost-Effective Alternatives. The Commission shall compare the cost effectiveness of the proposed project with the cost effectiveness of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

Viability of the Proposal. The Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frames

set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.

Compliance with Conditions of Previous Certificates of Need. An applicant shall demonstrate compliance with all terms and conditions of each previous Certificate of Need granted to the applicant, and with all commitments made that earned preferences in obtaining each previous Certificate of Need or provide the Commission with a written notice and explanation as to why the conditions or commitments were not met.

Impact on Existing Providers and the Health Care Delivery System. An applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the health planning region, including the impact on geographic and demographic access to services, on occupancy, on costs and charges of other providers, and on costs to the health care delivery system.

Health Equity. 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.

Character and Competence. 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.

See COMAR 10.24.01 Procedural Regulations for Health Care Facilities and Services at the following link for more details on the CON and non-CON process:

<https://mhcc.maryland.gov/mhcc/pages/home/regulations/regulations.aspx>