

Maryland's Certificate of Need Program

Scope of Authority and Modernization

January 22, 2018



The MARYLAND
HEALTH CARE COMMISSION

Scope of the Maryland CON Program

- **Applicable only to “health care facilities” and HCF capital projects.**

These are

- **Hospitals**
- **Nursing homes**
- **Ambulatory surgical facilities (2+ operating rooms)**
- **Intermediate care facilities for addiction treatment***
- **Home health agencies**
- **General hospices**
- **Freestanding medical facilities (Emergency Centers)**
- **Residential treatment centers**

Scope of the Maryland CON Program

- **Applicable to “capital projects” of HCFs. These are the categories of project that require a CON:**
 - **Establish an HCF**
 - **Relocate an HCF**
 - **Add new capacity at an HCF – beds, operating rooms**
 - **Introduce new “medical services” at an HCF – core acute and post-acute**

MSGA	Comprehensive care
Obstetric	Extended care
Pediatric	Intermediate Care
Psychiatric	Residential Treatment
Rehabilitation	
Chronic care	

Scope of the Maryland CON Program

Categories of capital projects of HCFs that require a CON (continued):

- **Introduce new specialized services at an HCF**
 - Cardiac surgery** **Percutaneous coronary intervention (PCI)**
 - Burn treatment** **Organ transplantation surgery**
 - Neonatal intensive care**
- **Expand authorized service area (jurisdiction) of a home health agency or general hospice**
- **A capital expenditure by an HCF for any purpose above an indexed threshold**
 - As of March, 2017 - \$12 million for hospitals**
 - \$ 6 million for all other health care facilities**

Scope of the Maryland CON Program

CON LITE – Exemptions from CON can be used to authorize certain projects

- **Merger/consolidation of HCFs**
- **Relocation if the HCF is owned or controlled by a merged asset system**
- **Addition of bed capacity if pursuant to merger/consolidation of HCFs or conversion of an HCF to a nonhealth-related use**
- **Introduce new services if pursuant to merger/consolidation or conversion of an HCF to a nonhealth-related use**
- **Capital expenditure by an HCF above the indexed threshold made as part of merger/consolidation of HCFs or conversion of an HCF to a nonhealth-related use**
- **Conversion of a hospital to a freestanding medical facility or limited service hospital**
- **Introduction of PCI services by a hospital**

CON and Exemptions from CON

- Both are application review processes with final action by full Commission
- More criteria and standards in CON review (State Health Plan)
- No interested party status for opponents in CON exemption review
- Shorter review time expectation in CON exemption review
 - 45-60 days for CON exemption
 - 90-150 days for full CON review

Modernizing CON Regulation

Report to General Assembly due in December, 2018

1. Examine major policy issues to ensure that CON laws & regulations reflect the dynamic and evolving health care delivery system
2. Review approaches other states with similar delivery models have taken to determine appropriate capacity
3. Recommend revisions to the enabling statutes relating to capital approval processes
4. Recommend revisions to the State Health Plan (SHP) including
 - a. **Creating incentives to reduce unnecessary utilization**
 - b. **Eliminating, consolidating, or revising individual chapters of the SHP**
 - c. **Developing criteria that determine service need in the context of Maryland's All-Payer Model**
 - d. **Assuring that criteria are clear, unambiguous, and appropriately applied**

Modernizing CON Regulation

Report to General Assembly due in December, 2018 (continued)

5. Consideration what MHCC flexibility, legislative or regulatory, may be needed to streamline the CON approval process
6. Consult with HSCRC and MDH to identify areas of regulatory duplication regarding the hospital capital funding process & other areas of hospital regulation

Modernizing CON Regulation – the SHP

Substantial Modernization Achieved

General Hospice Services – 2013

Cardiac Surgery & PCI - 2014

Home Health Agency Services – 2016

Organ Transplantation Surgery – 2017

Substantial Modernization in Process

General Surgical Services – 2018

New SHP Chapter

Freestanding Medical Facilities - 2017

Modernizing CON Regulation – the SHP

Substantial Modernization Needed

Acute Psychiatric Services – planned for 2018 – last update 1997

Nursing Home Services – planned for 2018 – last update 2007

Acute Hospital Services – last update 2009

Intermediate Care Facility Services – Substance Abuse Treatment – last update 2002

Updating Needed

Acute Rehabilitation Services – last update 2013

Obstetric Services – established 2003 – never updated

Neonatal Intensive Care Services - last updated 2006

Revisions Planned

Cardiac Surgery and PCI – planned for 2018