

CON Task Force Survey Results

STATE OF CONNECTICUT, OFFICE OF POLICY & MANAGEMENT

JULY 18, 2016

Purpose of the Survey

The purpose of the survey **is** to obtain a baseline of where the group currently stands on the key principles of CON in order to facilitate discussion.

The survey **is not** intended to serve as a final decision making tool.

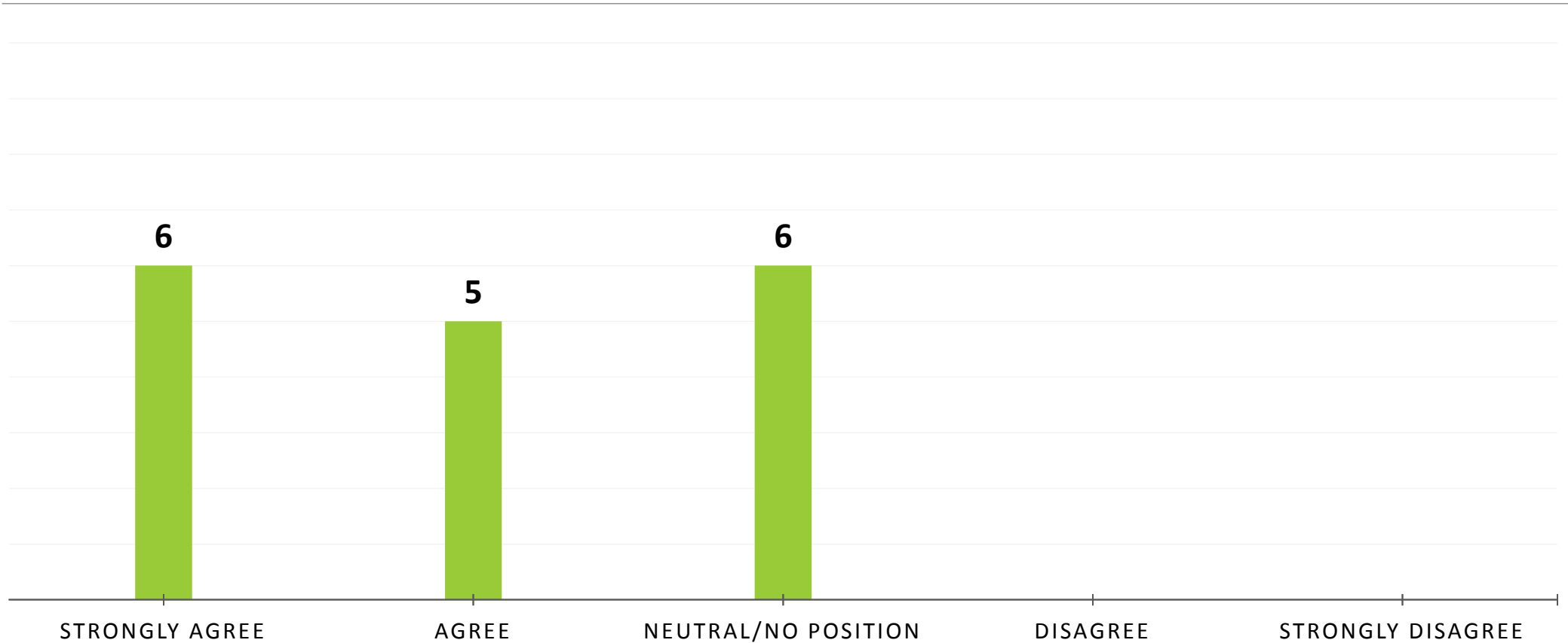
Participation & Response Rate

- ❖ Survey Universe = CON Task Members (N=17)
- ❖ Response Rate
 - 100% of Task Force members completed at least some of the survey
 - 1 respondent only answered question #1 and did not complete remainder of the survey

Question #1

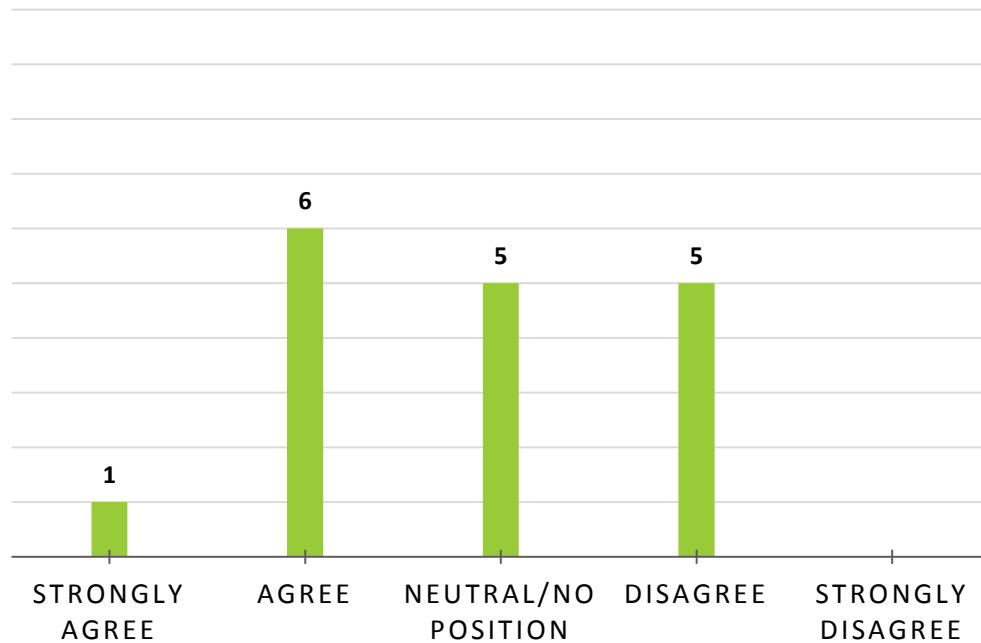
- ❖ When CON was implemented nationally in the 1970s it did so based on a set of specific assumptions about the health care market and effects of regulatory intervention.
- ❖ As years passed these assumptions have been called into question and CON programs across the country have been eliminated or amended as a result.
- ❖ This survey question was designed to gather the current opinion of Task Force members as they relate to the main premises under which CON programs were started.
- ❖ Members were asked to rate each statement regarding the original operating premise of CON programs on a scale of *strongly agree to strongly disagree*.

Connecticut should have a CON program or other regulatory process in place in order to shape the state's health care landscape.

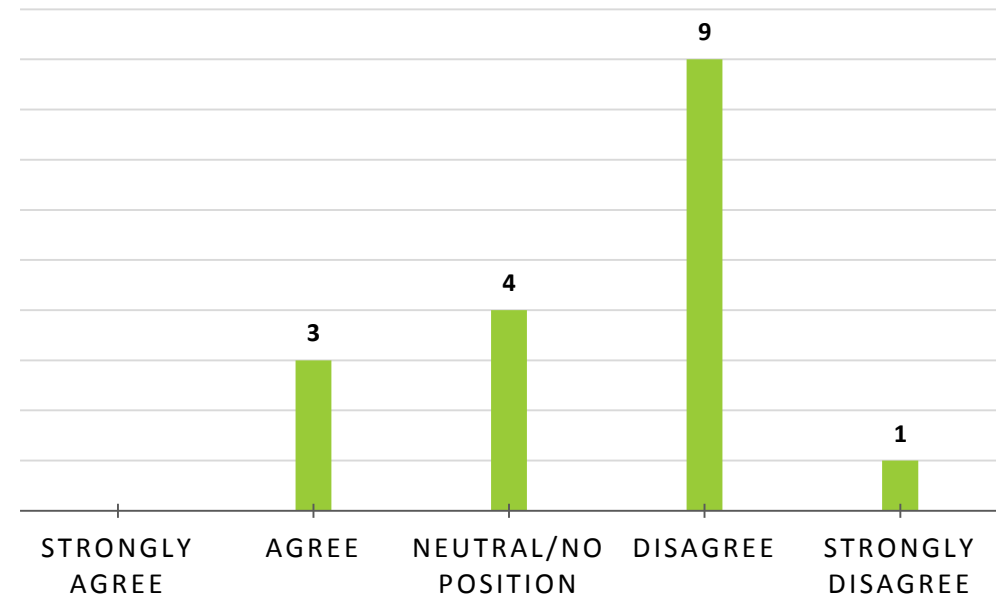


Capacity

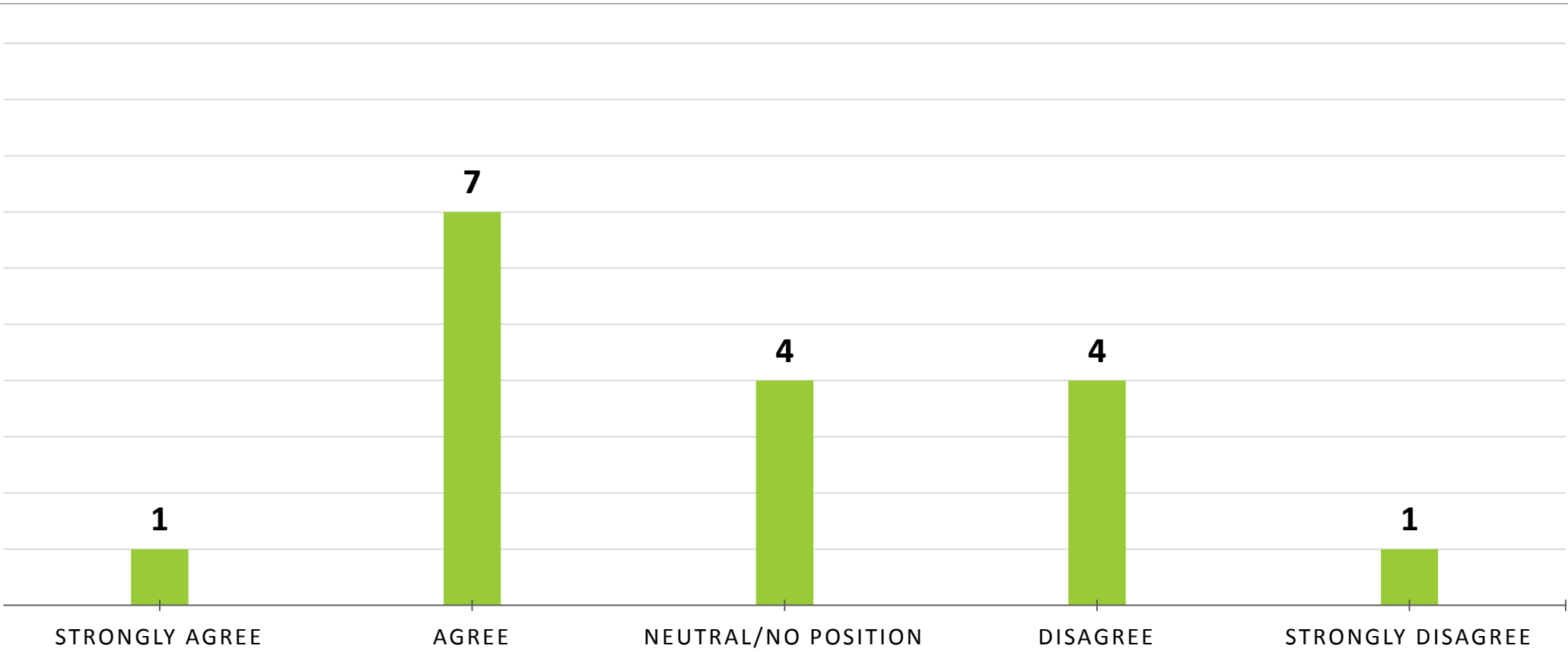
Excess capacity or duplication in A health care system is A primary driver of increased health care costs.



Limiting the capacity in A health care system based on meeting only the demonstrated need is an effective strategy to control health care costs.

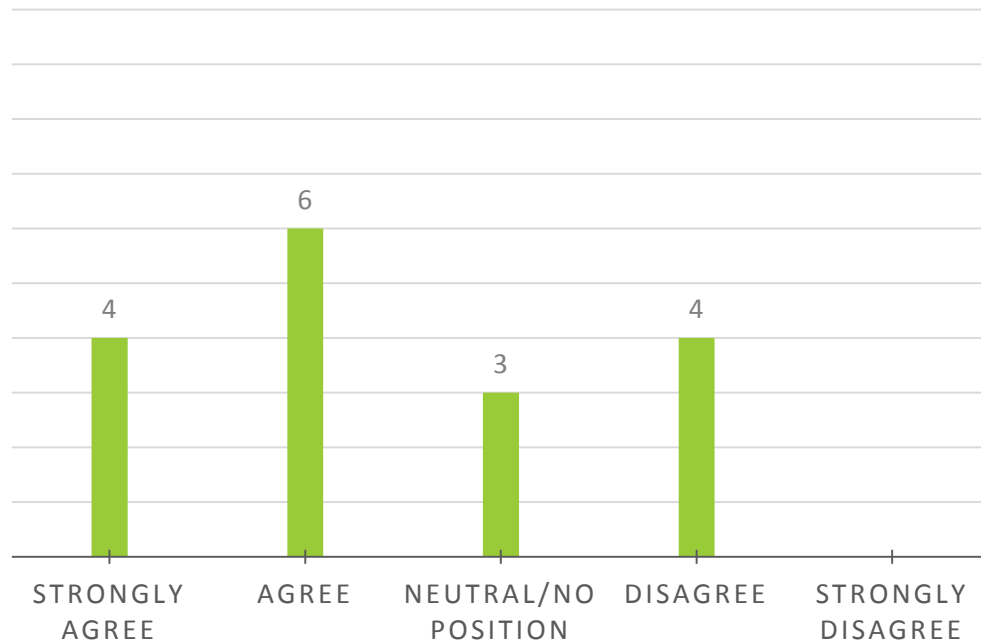


Restricting new health care facility construction or the addition of services reduces price competition, and could lead to increased health care costs.

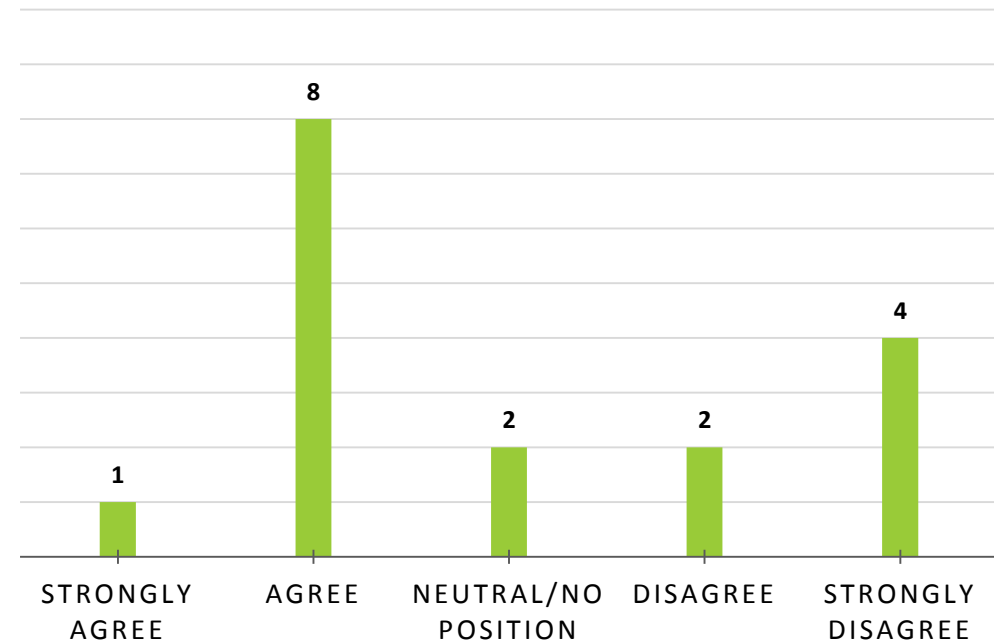


Health care services & market forces

Health care services are not subject to the same market forces as A "typical" economic product.



Health care prices would be more effectively controlled by market pressures than an externally regulated process.



Key Research Findings

- ❖ Limiting excess capacity does not = lower health care costs
- ❖ Limiting capacity through CON programs can give preference to incumbents in the system and actually impede access to services, especially new technologies
- ❖ Other trends in the health care landscape such as limited competition due to mergers, acquisitions, vertical integration, and consolidations are increasing health care costs.
- ❖ In general, competition, particularly between hospitals, improves quality of care. Research regarding the ability of CON to affect quality are mixed, with studies often reporting evidence of success as being inconclusive or needing further study.

Conclusions

- ✓ CON Task Force members believe some type of Health care regulation is necessary but results are mixed as to the individual factors that should be the goal of such regulation (i.e. access, quality, cost, planning, need and competition).
- ✓ Research findings for many functions of CON programs are mixed, with arguments being found both in support and opposition of having CON laws and their effectiveness in regulating specific areas of health care.
- ✓ Task Force members will need to discuss the purpose of CON and what factors (access, quality, cost, planning, need and competition) Connecticut should regulate based on the state's health care system, market forces and available data.

Considerations

- ❖ Is a CON Program or other regulation needed to achieve all desired outcomes or can free market forces achieve some ends?
- ❖ What goals should regulation achieve?
- ❖ What factors does regulation need to focus on in order to achieve the established goals?

Question #2

- Based on a literature reviews and research studies, Connecticut CON programs and documents and statutes, the following 6 potential functions of a CON program were identified:

Planning,

Need,

Access,

Cost,

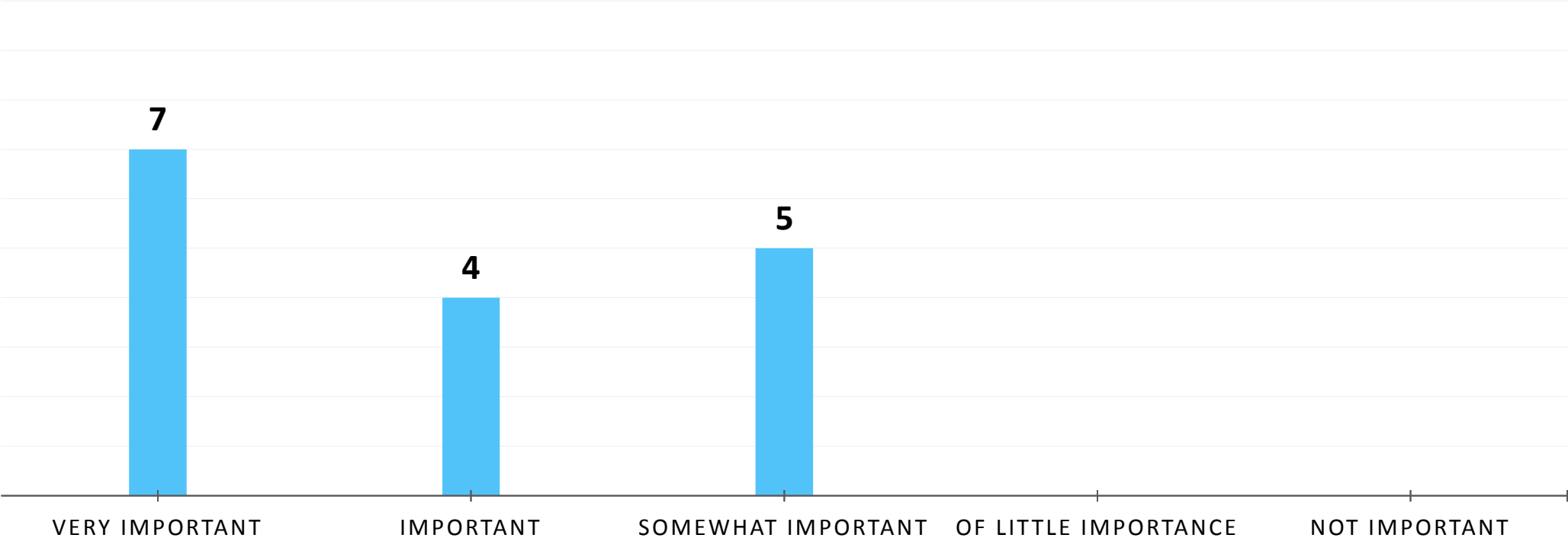
Quality,

Competition.

- Task Force members were asked to rate, on a scale of “*very important*” to “*not important*,” the importance of including each factor in the state’s CON program or other health care regulatory process.

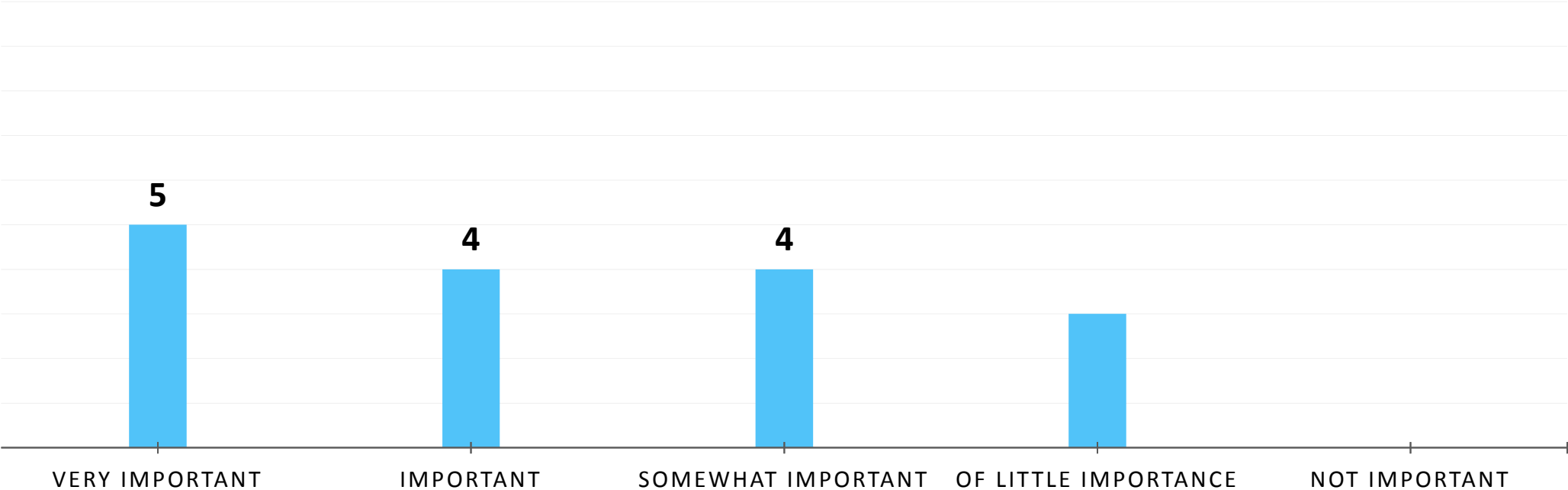
6 Functions of A Health Care Regulatory Process Planning

Aligns with state-wide health planning goals



6 Functions of A Health Care Regulatory Process Need

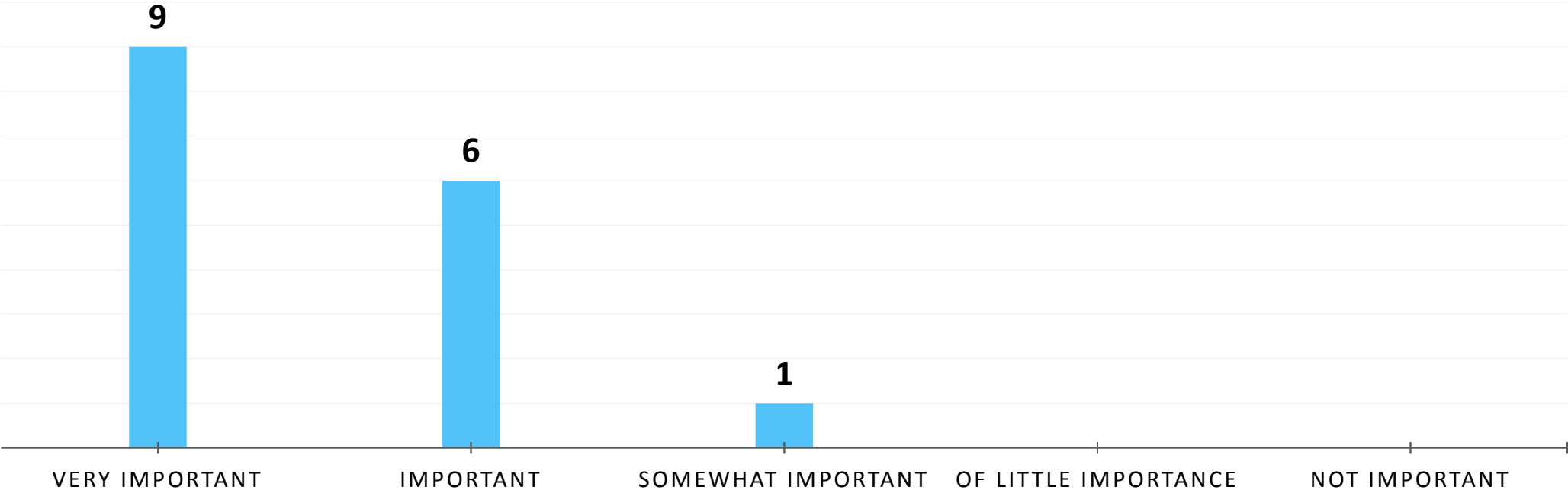
**Demonstrates a clear need or
avoids duplication of services**



6 Functions of A Health Care Regulatory Process

Access

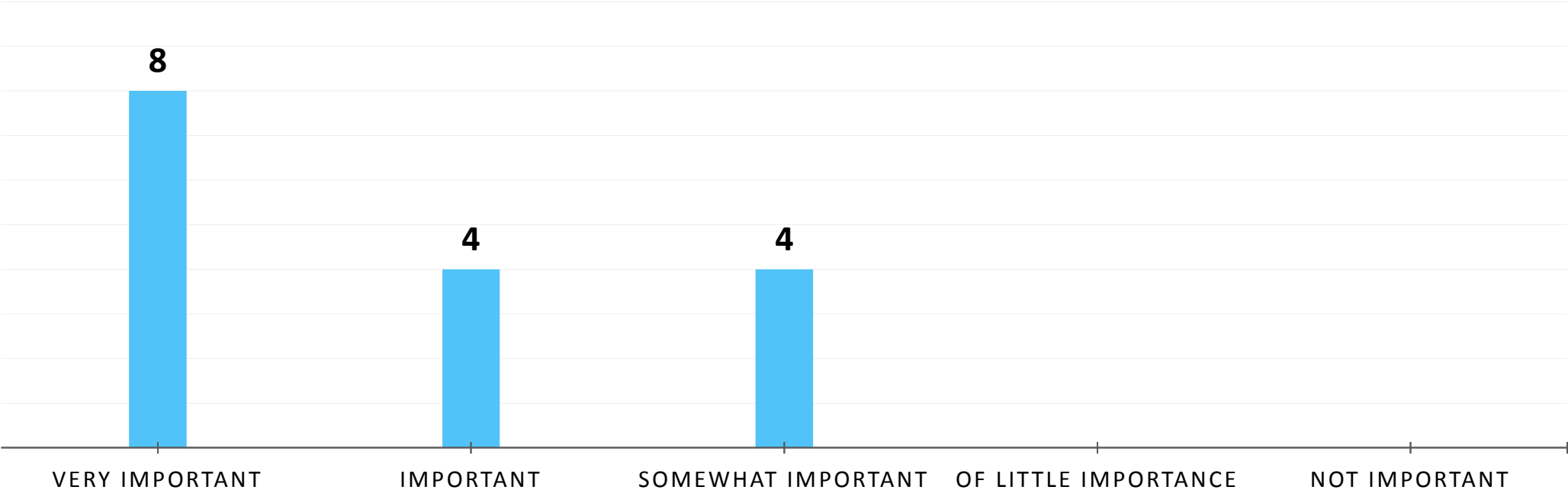
Maintains or improves access and availability of services, particularly for underserved populations



6 Functions of A Health Care Regulatory Process

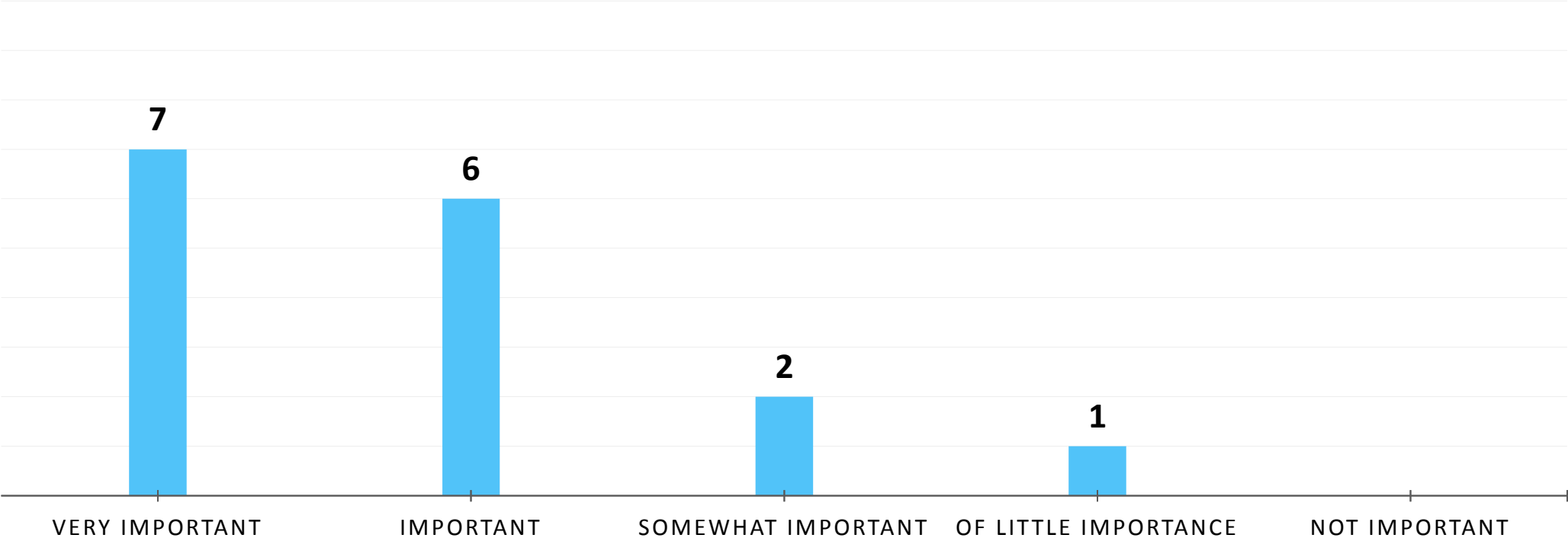
Cost

Maintains or improves cost-effectiveness or affordability of services



6 Functions of A Health Care Regulatory Process Quality

Maintains or improves quality of health care services



6 Functions of A Health Care Regulatory Process Competition

Preserves an open and competitive health care market

