

Certificate of Need – ASF Rules

Notes for Workshop #1 – August 17, 2015

WAC 246-310-020

- *Discussion of what constitutes the establishment of a new healthcare facility:*
Discussion and concern centered on whether the department had or has criteria to determine whether expansion qualifies as a new health care facility. Additional discussion focused on the definition and identification of a health care facility. Stakeholders noted that department identifies operating rooms in its methodology formula, while the statute identifies health care facilities. The department restated the overarching objective of CoN - to ensure the planned and orderly development of health care facilities – and it's goal to further focus that objective on availability and access with respect to ASF. Department feels a trigger should be created to evaluate ASF capacity. Department views expansion as part of planned and orderly development of health care facilities and this principal of the CoN program is inherent in the enabling statute.
- *Type of expansion and type of facility – identify what is meant to be included in the rule:*
ASF and OR are different types of facilities. Decisions to build each are based on several factors, including but not limited to market influences, resources to develop capacity, available resources to build and expand, and alignment with community need. Discussion included how to define the type of facility – whether to limit language to apply to “large” expansions, how to define “large;” whether a two-prong threshold should be considered that would include capital expenditure below a certain level.
- *Impact of rule on total cost of patient care:*
Although the department has not yet conducted studies related to this topic, general discussion was based on whether expansion regulation will impact cost of patient care. Department's position is that because entities who are already CoN approved can build any number of facilities, such construction will adversely impact cost. Insurance providers indicate that capital investments by providers will impact their costs and negotiated rates. These rates will be impacted. Department indicated that MedPAC includes idle and unused capacity in cost reports. Feedback suggested that Medicare does not review or report the cost of ASF; there is potential disparity in ASF reporting because cost information may not be consistently available to Medicare. Additional discussion centered on the proposition that CoN review be a requisite for ASF expansion when entities offering more costly services are not subject to the same review, and how this potentially inflates patient costs.
- *Barriers and Access:*
Generally, discussion concentrated on the ability of entities to expand, remain independent, or affiliate. To manage the costs of regulation and remain in compliance, small ASC (2 OR) seek alignment with ASF management and development companies. Doing so involves obtaining CoN, and it was asserted that many ASF management companies are not present in WA for this reason. As an alternative, many ASF seek affiliation.