

**STATE COMMISSION ON THE EFFICACY OF CON**  
Sanders Fireplace Room at the Capitol Education Center  
180 Central Avenue, Atlanta, Georgia

December 14, 2005; 1:00 pm

**Daniel W. Rahn, MD, Chair, Presiding**

**MEMBERS PRESENT**

Jeff Anderson  
Senator Don Balfour  
Melvin Deese, MD  
Donna Johnson, Esq.  
Robert Lipson, MD  
Dan Maddock  
Ronnie Rollins  
Joseph "Rusty" Ross, Esq.  
Representative Austin Scott

**MEMBERS ABSENT**

Rhonda Medows, MD

**GUESTS PRESENT**

Bill Lewis, Lewis Consulting  
Bryan Fiveash, Fiveash-Stanley  
Christie Carmichael, Emory Healthcare  
Charlie Hayslett, Hayslett Group  
Danae Gambill, Georgia Hospital Association  
Deborah Winegard, Medical Association of Georgia  
Dodie Putman, HCA  
Don Fears, DeKalb Medical Center  
Earl Rogers, Georgia Hospital Association  
Holly Snow, Piedmont Health System  
Jeffrey Baxter, Nelson Mullins  
Jill Fike, Senate Research Office  
Jimmy Lewis, HomeTown Health  
Jon Howell, GHCA  
Julie Windom, Georgia Alliance of Community Hospitals  
Kathy Browning, Georgia Society of General Surgeons  
Kent Lederman, Morgan Healthcare Consulting  
Kevin Rowley, St. Francis Health System  
Larry Lloyd, Innovative Consultants  
Leah Watkins, Powell Goldstein  
Leo Reichert, Parker Hudson, Rainer & Dobbs  
Linda Simmons, The Surgery Center, LLC  
Linda Womack, Emory Health System

**STAFF PRESENT**

Karesha Berkeley  
Doris Berry  
Neal Childers, JD  
Rory Gagan  
Charemon Grant, JD  
Richard Greene, JD  
Matt Jarrard  
Julie Kerlin  
Brigitte Maddox  
Yuvonica Ransom  
Robert Rozier, JD  
Rhathelia Stroud, JD  
Stephanie Taylor

Lisa Norris, The Strategy House  
Marvin Noles, Medical Center of Central Georgia  
Stan Jones, Nelson Mullins  
Susan Thompson, WellStar Health System  
Taffey Bisbee, Mitretek  
Travis Lindey, Resurgens Orthopedic  
Monty Veazey, Georgia Alliance of Community Hospitals  
Webb Cochran, Tenet Health System  
Rick Ivey, Archbold Medical Center  
Tarry Hodges, St. Joseph's Candler Health System  
Tommy Chambliss, Georgia Association of Community Hospitals

## WELCOME

Dr. Rahn called the meeting to order at 1:05 pm. He noted that Tim Burgess resigned his position as Commissioner, DCH and said that Dr. Rhonda Medows is the new Commissioner of the Department of Community Health. He noted that Dr. Medows is absent from today's meeting due to a long standing commitment in Washington, D.C.

## APPROVAL OF MINUTES OF OCTOBER 24TH & NOVEMBER 21ST

Dr. Rahn called for a motion to accept the minutes of October 24<sup>th</sup> & November 21<sup>st</sup>, 2005 meetings. The October meeting minutes were unanimously approved by members as submitted. Dr. Lipson requested that additional clarifying language be added to comments that were referenced on page 6 of the draft minutes of the November 21<sup>st</sup> meeting. The following revision was recommended by Dr. Lipson, and unanimously accepted and approved by the Commission:

Some members noted that cost accounting systems in hospitals are very poor and it is difficult to get an accurate picture of the cost of hospital services *at the Department level*.

Dr. Rahn recognized the following members of the General Assembly who were present at today's meeting:

- Representative Sharon Cooper
- Representative Bobby Franklin
- Representative Jerry Keene

## PRESENTATION BY DEPARTMENT OF COMMUNITY HEALTH

Two presentations were planned and delivered by staff, the Department of Community Health. One was presented by Robert Rozier, JD. He provided an overview of the Rules for Specialized Services (see Appendix A); another presentation was conducted by Matthew Jarrard, MPA. He provided an overview of the types of data that are available through the Department of Community Health/Division of Health Planning (see Appendix B).

The following summarizes the dialog that occurred subsequent to presentations made by Robert Rozier and Matthew Jarrard.

Members asked for clarification regarding how an applicant would proceed to add additional beds, if there was no numerical need for the service. Department staff indicated that the exception standard could be used in the absence of a numerical need, depending on the specific service. The applicant would be required to address cost, quality, and access considerations. The Department would document the bases for granting the exception and the barriers that the applicant would be expected to remedy. Staff noted that not all service-specific Rules have exception to need standards. Department staff emphasized that applicants seeking both new and expanded services would be reviewed under the same standard.

Some members asked for clarification between the "adverse impact" and "exception to need" standards. Department staff noted that some Rules contain adverse impact standards which outline some volume standards below which a new or expanded program should not impact an existing program such that it could not maintain a high quality program. Staff indicated that the current Ambulatory Surgical Services Rules do not

contain adverse impact standards. The exception to need standard allows existing providers to expand existing services due to high utilization within the planning region in order to better serve patient needs.

Some members expressed concern about existing providers' ability to expand services through the exception to need standard due to high utilization within the planning region. Some members said that this standard supports the argument that CON protects existing providers from outside competition. Some members argued that this standard creates a disadvantage for new service providers. Members inquired about the number of CON Rules that have an exception to need standard due to high utilization.

Department staff noted that the following services have utilization thresholds with regard to expansions: Obstetrical services, Personal Care Homes, Radiation Therapy Services and Adult & Pediatric Cardiac Catheterization Services.

Members asked about the definition of the word "inventory". Department staff indicated that the Department's current inventory is a list of all applications that have been approved by the Department to provide services.

Members asked how a facility that is currently approved to offer Level II neonatal services could provide Level III services.

Department staff indicated that if there is a numerical need, any applicant that is currently offering a Level II neonatal service could apply for a CON to offer Level III neonatal services. Staff noted that the Department does not issue an RFP for perinatal services. Applications are reviewed as they are submitted, however if a second application from the same planning area is received by the Department within a 30-day period then applications are reviewed together (competitively). There are standards in the Rules that indicate how competitively reviewed applications would be handled.

Dr. Rahn reviewed the planning process with regards to updating the Department's state health plans. He said that the standing committees of the Health Strategies Council, in conjunction with the Department annually reviews all of the state health plans to determine whether there is a need to update any of them. The Standing Committee's recommendation would be forwarded to the Health Strategies Council (Council). Following acceptance by the Council, a technical advisory committee, consisting of Council members and a wide range of technical experts from around the state are engaged in this planning and updating process. He said that the review and updating process always include opportunities for public comment. Recommendations from the technical advisory committee are presented to the Council. Following approval by the Council, recommendations would be forwarded to the Board of Community Health. The Board would issue the draft Plan and Rules for another round of public comments. He noted that the Board of Community Health has the authority to send the state health plan back to the Council for additional refinements, if necessary.

Commission members inquired why "financial feasibility" is a standard that the Department considers in the review of CON applications. Department staff indicated that this standard is a statutory requirement.

Commission members inquired whether the Department collects volume standards after the issuance of a CON and asked about the consequences to a provider for failing to meet minimum thresholds.

Department staff indicated that the Department collects volume standards via the Annual Hospital Questionnaire however the Department has no authority to take away a CON if minimum volume standards are

not met. The Department has the ability to deny a future request to expand from any applicant not meeting volume standards.

Members expressed concern about the Department's inability to revoke a CON if volume standards are not met. Members said that there is a justification for volume standards, relating to quality and suggested that there needs to be a mechanism to revoke a CON if volume standards are not met. Some members said that if a CON is awarded that there should be a mechanism to ensure that quality is measured and maintained.

Some members argued that quality standards should be measured through the state's licensure process not the CON process. Other members said that there are reportable events that are submitted to the state and that the state has authority to close a facility. They noted that this authority rests with the Department of Human Resources, not the Department of Community Health.

Department staff clarified that CON regulates services and some equipment; while the Department of Human Resources regulates facilities.

Commission members inquired about the Department's inventory for Magnetic Resonance Imaging (MRI) and Computed Tomography (CT) units, and Positron Emission Tomography (PET) noting that they do not appear to be all-inclusive.

Department staff explained that these types of equipment can be approved under the Letter of Non-Reviewability (LNR) process, which is a voluntary process. If the equipment can be obtained under the capital expenditure threshold, the Department might not be notified by the provider, thus the Department does not have an accurate inventory of some medical equipment. All applicants seeking to offer these services, providing the equipment and other costs are above the threshold, would be required to obtain a CON.

Members asked about the purpose of the expenditure threshold. Department staff indicated that the threshold amount is a statutory requirement. Prior to the institution of the threshold amount, all applicants would be required to submit a CON. The threshold amount provides some flexibility to the applicant.

Some members felt that the Commission should be focused on addressing the following questions:

- Does CON improve cost/quality/access?
- Is LNR an equitable process?
- What is the role of cross-subsidization?

## **DISCUSSION OF NEED FOR EXTERNAL CONSULTATIVE SOURCES**

Dr. Rahn said that the Commission needs to fine-tune its focus and to make some decisions regarding the use of external consultants and how they can be engaged to inform the committee's work.

Dan Maddock recommended that representatives from the states of Texas and Indiana would be excellent sources to speak to the Commission.

Department staff indicated that they have identified some of the key contact persons in each state that has a CON program and will share that information to the Commission at a future meeting. These contact persons are state level persons. Commission members could determine which states they would like to contact. Also, the

Department has provided Commission members with a CD that contains a number of CON-related articles. Members were encouraged to review the articles and the bibliography, as additional sources for potential speakers.

## **DATA REQUESTS**

Commission members requested the following data/information:

- A list of all applicants seeking to offer cardiac catheterizations along with a list of organizations that appealed the Department's decisions. (Melvin Deese, MD)
- Actuarial Report of commercial insurance rates – benchmarks against other southern states and states with and without CON (Representative Scott).

## **NEXT STEPS**

Dr. Rahn acknowledged a letter from American College of Surgeons, dated November 21, 2005 which was included in member packets (See Appendix C). He indicated that he would send a letter to Dr. Russell acknowledging receipt of his letter.

Dr. Rahn said that the next meeting should have a single focus, namely deciding how to frame the Commission's work. He said that it's critical that the Commission map out a plan to complete its work, including making specific decisions about outside consultants.

## **OTHER BUSINESS**

Senator Balfour said that he drafted a Resolution to the General Assembly to request that they do not take any action affecting the Certificate of Need Program during the 2006 Legislative Session (See Appendix D). He presented this as a motion to the Commission and members were asked to vote. This motion was seconded by Joseph Ross and was unanimously adopted by the Commission.

The Data Subcommittee is expected to meet in the next few weeks following the Commission meeting.

There being no further business, the meeting adjourned at 3:15 pm. Minutes taken on behalf of Chair by Stephanie Taylor.

Respectfully submitted,

Daniel W. Rahn, MD, Chair



GEORGIA DEPARTMENT OF  
COMMUNITY HEALTH

## CON Rules for Specialty Services

Georgia Commission on the Efficacy of the CON Program  
December 14, 2005



GEORGIA DEPARTMENT OF  
COMMUNITY HEALTH

## Specialized Services

- Acute Care Related Services
  - Hospital Beds
  - Adult Cardiac Catheterization
  - Open Heart Surgery
  - Pediatric Cardiac Catheterization and Open Heart Surgery
  - Perinatal Services
  - Freestanding Birthing Centers
  - Psychiatric and Substance Abuse
- Special and Other Health Services
  - Ambulatory Surgery Centers
  - Positron Emission Tomography
  - Radiation Therapy Services
  - Magnetic Resonance Imaging
  - Computed Tomography
- Long Term Care Services
  - Skilled Nursing
  - Personal Care Home
  - Continuing Care Retirement Communities
  - Traumatic Brain Injury Facilities
  - Comprehensive Inpatient Physical Rehabilitation
  - Long Term Care Hospitals

Specialized Services



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## Specialized Services: Next Meeting

- Acute Care Related Services
  - Adult Cardiac Catheterization
  - Adult Open Heart Surgery
  - Pediatric Cardiac Catheterization and Open Heart Surgery
- Special and Other Health Services
  - Positron Emission Tomography
  - Radiation Therapy Services
  - Magnetic Resonance Imaging
  - Computed Tomography
- Perinatal Services
- Freestanding Birthing Centers
- Long Term Care Services
  - Skilled Nursing
  - Residential Care Homes
  - Home Health
  - Continuing Care Retirement Communities
  - Intermediate Care Facility for Individuals with Developmental Disabilities
  - Comprehensive Outpatient Physical Rehabilitation
  - Long Term Care Hospitals

Specialized Services



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## Acute Care Services

- Perinatal
- Freestanding Birthing Centers
- Short Stay Hospitals
- Adult Cardiac Catheterization
- Adult Open Heart Surgery
- Pediatric Cardiovascular
- Psychiatric & Substance Abuse

**Acute Care**



Specialized Services : Acute Care Services



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COMMUNITY HEALTH

## Acute Care Services: Perinatal

- 3 distinct levels of care each requiring a CON
  - Obstetric/Basic Neonatal Level I Newborn
  - Neonatal Level II Intermediate Care Specialty Service
  - Neonatal Level III Intensive Care Subspecialty Service
- Levels of Care are based on definitions from the Council on Maternal & Infant Health and Rules of the Department of Human Resources



Specialized Services : Acute Care Services : Perinatal

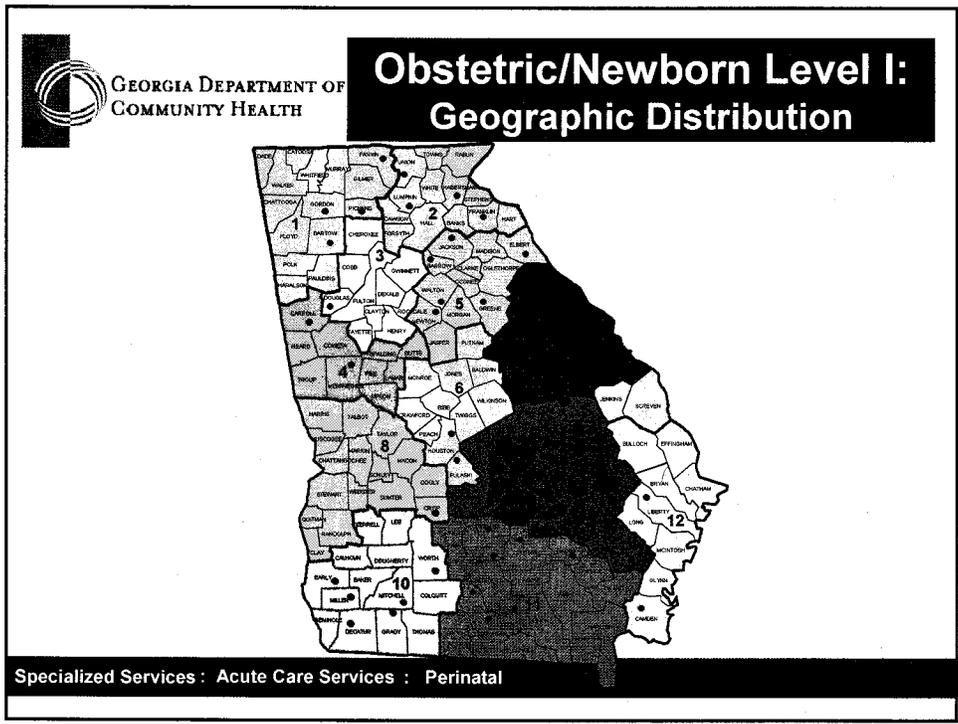
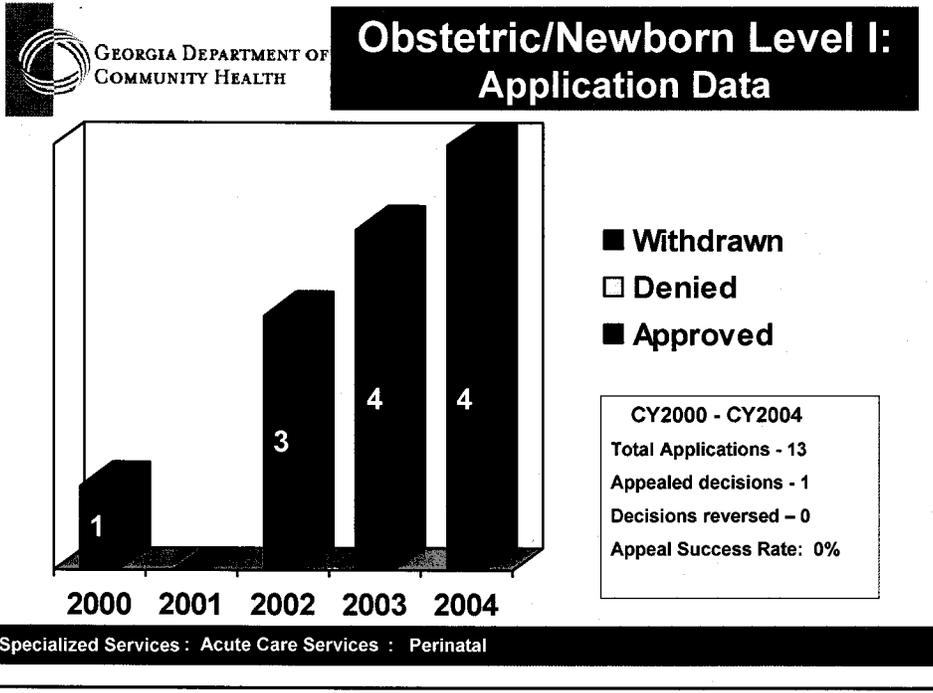


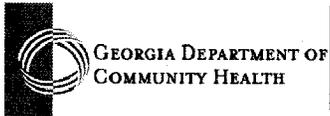
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## Acute Care Services: Perinatal (Cont'd)

- Need Methodology for each level of care
- Utilization exception; allows expansion of an existing service if the actual utilization of that service has exceeded 80% occupancy over the most recent two years.
- Level 1 = 1870 beds/bassinets
- Level 2 = 482 beds
- Level 3 = 391 beds

Specialized Services : Acute Care Services : Perinatal

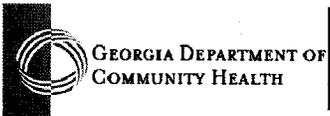




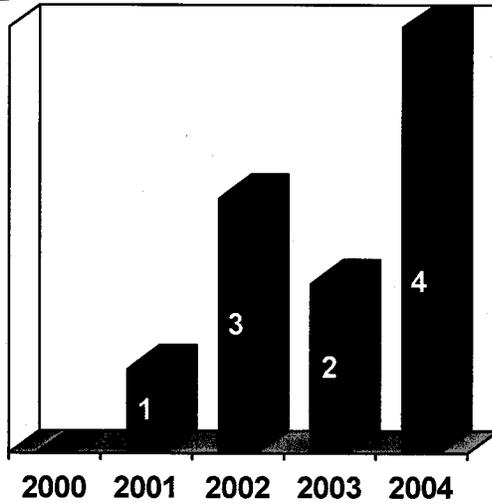
## Obstetric/Newborn Level I: Utilization Data

Neonatal Basic Newborn					
SSDR	2004 Resident Live Births	Inventory	Programs	Bassinet per 10,000	Utilization
1	12,159	41	4	33.7	41.3%
2	8,524	36	4	42.2	23.3%
3	61,173	15	1	2.5	16.5%
4	6,488	12	2	18.5	16.8%
5	7,300	57	6	78.1	16.3%
6	6,417	16	2	24.9	34.7%
7	6,464	16	2	24.8	21.9%
8	5,621	10	1	17.8	28.7%
9	4,117	61	7	148.2	18.5%
10	5,285	46	6	87.0	13.8%
11	5,814	61	7	104.9	18.9%
12	9,083	10	2	11.0	15.3%
<b>Statewide</b>	<b>138,445</b>	<b>381</b>	<b>44</b>	<b>27.6</b>	<b>20.3%</b>

Specialized Services : Acute Care Services : Perinatal



## Newborn ICU/INT Level II & III: Application Data



- Withdrawn
- Denied
- Approved

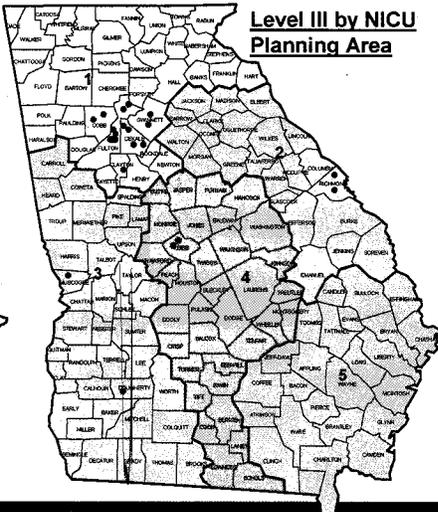
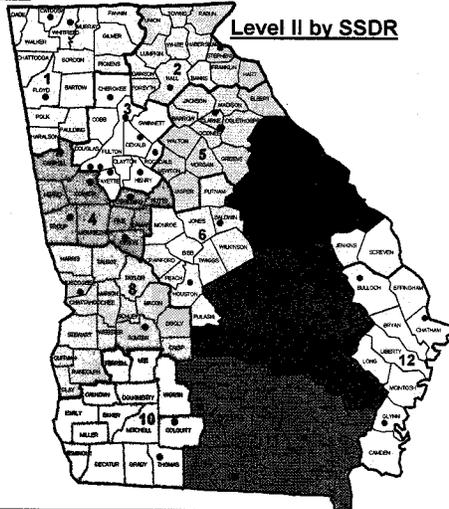
CY2000 - CY2004  
Total Applications - 11  
Appealed decisions - 0

Specialized Services : Acute Care Services : Perinatal



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## Newborn ICU/INT Level II & III: Geographic Distribution



Specialized Services : Acute Care Services : Perinatal



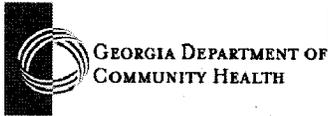
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COMMUNITY HEALTH

## Newborn ICU/INT Level II & III: Utilization Data

Neonatal Intermediate Level II Newborn					
SSDR	2004 Resident Live Births	Intensivty	Programs	Births per 10,000	Utilization
1	12,159	40	3	32.9	36.1%
2	8,524	7	2	8.2	145.9%
3	61,173	213	8	34.8	82.5%
4	6,488	29	5	44.7	24.9%
5	7,300	22	2	30.1	71.9%
6	6,417	44	2	68.6	67.0%
7	6,464	16	2	24.8	22.5%
8	5,621	19	2	33.8	43.3%
9	4,117	3	1	7.3	29.1%
10	5,285	16	2	30.3	81.3%
11	5,814	25	3	43.0	14.6%
12	9,083	48	3	52.8	58.8%
<b>Statewide</b>	<b>136,245</b>	<b>363</b>	<b>25</b>	<b>34.6</b>	<b>64.4%</b>

Neonatal Intensive Level III Newborn					
NICU	2004 Resident Live Births	Intensivty	Programs	Births per 10,000	Utilization
1	83,257	241	16	28.9	70.4%
2	12,146	68	2	56.0	60.9%
3	16,879	38	2	22.5	85.2%
4	13,109	24	2	18.3	179.7%
5	13,195	20	1	15.2	68.2%
<b>Statewide</b>	<b>136,686</b>	<b>381</b>	<b>23</b>	<b>28.2</b>	<b>76.6%</b>

Specialized Services : Acute Care Services : Perinatal

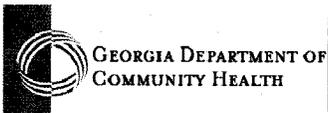


## Acute Care Services: Freestanding Birthing Centers

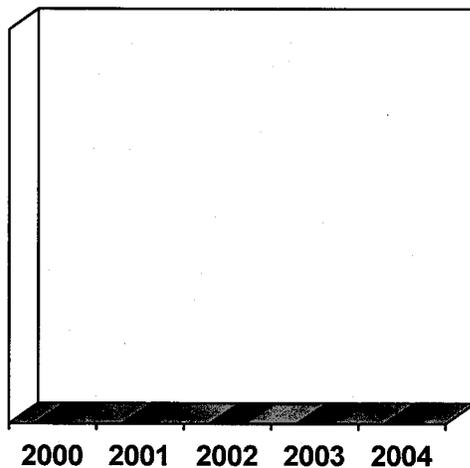
- Only 1 provider within the State
  - Family Health and Birth Center, Effingham County



Specialized Services : Acute Care Services : Freestanding Birthing Center



## Freestanding Birthing Centers: Application Data



- Withdrawn
- Denied
- Approved

CY2000 - CY2004  
 Total Applications - 0  
 Appealed decisions - 0

Specialized Services : Acute Care Services : Freestanding Birthing Center



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## Acute Care Services: Short Stay Hospitals

- Institution-based need methodology in lieu of community-based projections
- Statutorily created exemption:
  - Hospitals can increase bed capacity by 10% or 10 beds (whichever is less) without obtaining a CON if capacity has exceeded 85% over the past two years
- Currently 153 facilities with 24,188 beds



Specialized Services : Acute Care Services : Short Stay Hospitals

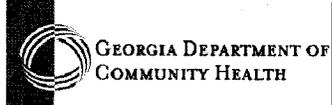


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## Short Stay Hospitals: Utilization Data

General Acute Care Hospitals					
SSDR	2005 Residents	Number of Facilities	Approved Beds	Occupancy Rate	Beds per 100,000
1	787,333	14	1,517	49.4%	193
2	544,226	10	1,083	49.2%	199
3	3,783,839	34	9,235	56.5%	244
4	453,717	8	978	43.2%	216
5	507,168	10	938	47.8%	185
6	456,636	10	1,531	59.2%	335
7	441,586	11	2,145	44.1%	486
8	361,267	9	1,355	42.8%	375
9	279,695	13	950	30.9%	340
10	356,983	12	1,489	45.1%	417
11	369,363	14	1,263	44.3%	342
12	559,193	8	1,704	56.4%	305
<b>Statewide</b>	<b>8,901,006</b>	<b>153</b>	<b>24,188</b>	<b>50.7%</b>	<b>272</b>

Specialized Services : Acute Care Services : Short Stay Hospitals

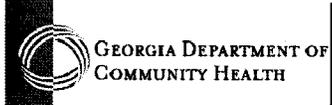


## Acute Care Services: Adult Cardiac Catheterization

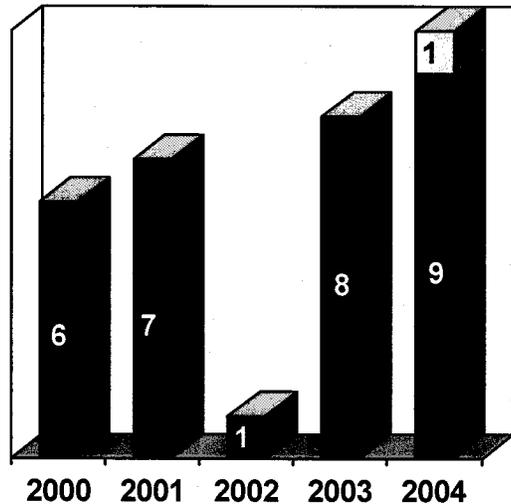
- Generally hospital-based, but currently 2 freestanding cardiac catheterization laboratories
- Definition: a medical diagnostic or therapeutic procedure during which a catheter is inserted into a vein or artery in the patient
- Numerical Need Methodology
  - Utilization requirement: 85%
  - Exceptions include utilization of >90%
- Quality standards
  - Minimum staff qualifications
  - Minimum number of procedures per lab
  - Disease prevention and clinical intervention programs
- Currently 120 labs



Specialized Services : Acute Care Services : Adult Cardiac Catheterization



## Adult Cardiac Catheterization: Application Data



□ Denied  
 ■ Approved

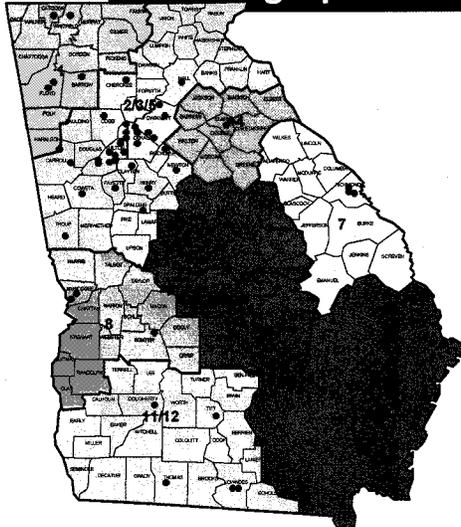
CY2000 - CY2004  
 Total Applications - 32  
 Appealed decisions - 8  
 Decisions reversed - 2  
 Appeal Success Rate: 25%

Specialized Services : Acute Care Services : Adult Cardiac Catheterization



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### Adult Cardiac Catheterization: Geographic Distribution

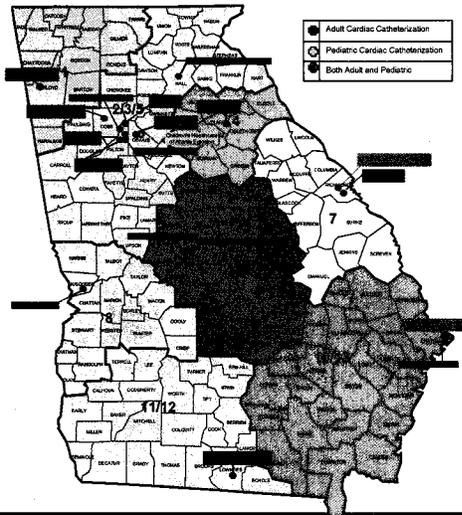


Specialized Services : Acute Care Services : Adult Cardiac Catheterization



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COMMUNITY HEALTH

### Adult Cardiac Catheterization: Geographic Distribution



Interventional/  
Therapeutic Providers

Specialized Services : Acute Care Services : Adult Cardiac Catheterization



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COMMUNITY HEALTH

## Adult Cardiac Catheterization: Utilization Data

Cardiac Catheterization					
Cardiac Cath Area	2005 Resident Pop	Inventory of Labs	Cardiac Cath Programs	Labs per 100,000	Utilization
1	677,410	10	5	1.5	75.8%
2/3/5	4,974,821	61	32	1.2	78.9%
4	410,932	4	2	1.0	77.1%
6/9	630,159	10	4	1.6	107.9%
7	432,645	10	4	2.3	67.5%
8	361,267	5	4	1.4	65.8%
10/13	829,247	12	7	1.4	74.8%
11/12	584,525	8	5	1.4	66.2%
Statewide	8,801,005	120	63	1.3	69.0%

Specialized Services : Acute Care Services : Adult Cardiac Catheterization



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COMMUNITY HEALTH

## Acute Care Services: Adult Open Heart Surgery

- Open heart surgery means surgery performed directly on the heart or its major veins or arteries
- Need
  - Existing diagnostic program has generated minimum of 250 adult open heart procedures
  - Minimum adverse impact on existing providers
- Quality
  - Minimum of 300 procedures
  - Must have offered diagnostic cath services for at least 3 years
- Can also perform therapeutic cath
- Currently 19 providers

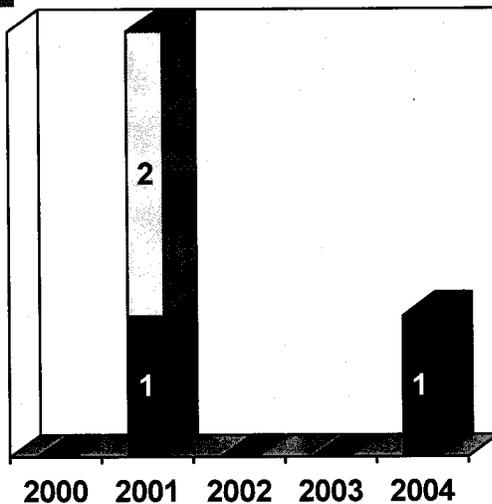


Specialized Services : Acute Care Services : Adult Open Heart Surgery



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COMMUNITY HEALTH

## Adult Open Heart Surgery: Application Data



- Withdrawn
- Denied
- Approved

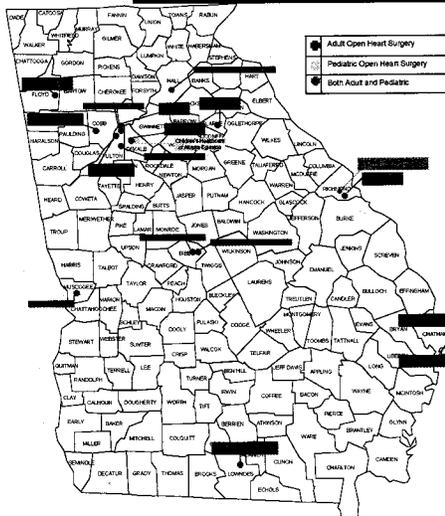
CY2000 - CY2004  
 Total Applications - 4  
 Appealed decisions - 2  
 Decisions reversed - 0  
 Appeal Success Rate: 0%

Specialized Services : Acute Care Services : Adult Open Heart Surgery

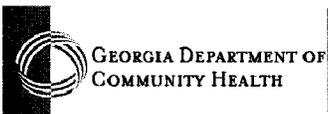


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## Adult Open Heart Surgery: Geographic Distribution



Specialized Services : Acute Care Services : Adult Open Heart Surgery

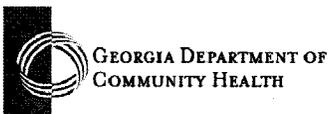


GEORGIA DEPARTMENT OF  
COMMUNITY HEALTH

## Adult Open Heart Surgery: Utilization Data

Open Heart Surgery	
Programs	19
Adult Surgeries	8,964
Surgeries per Program	472

Specialized Services : Acute Care Services : Adult Open Heart Surgery



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COMMUNITY HEALTH

## Acute Care Services: Pediatric Cardiovascular

- Children: 14 and under
- Pediatric tertiary hospital: Provide both pediatric cardiac caths AND pediatric cardiac surgery
- Need
  - Utilization requirement within state: 80% past two years
- Quality standards
  - Minimum staff qualifications
  - Minimum number of procedures: 150 per year
  - Necessary equipment meeting ACC and AAP
  - JCAHO accreditation
- Currently 3 providers

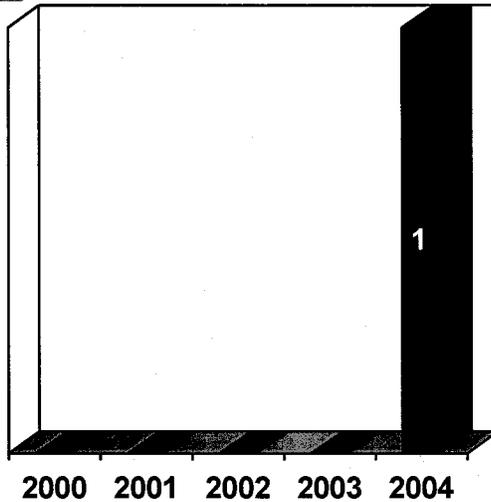


Specialized Services : Acute Care Services : Pediatric Cardiovascular



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### Pediatric Cardiovascular Services: Application Data



■ Withdrawn

□ Denied

■ Approved

CY2000 - CY2004

Total Applications - 10

Appealed decisions - 0

Specialized Services : Acute Care Services : Pediatric Cardiovascular



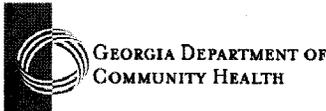
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### Acute Care Services: Psychiatric & Substance Abuse

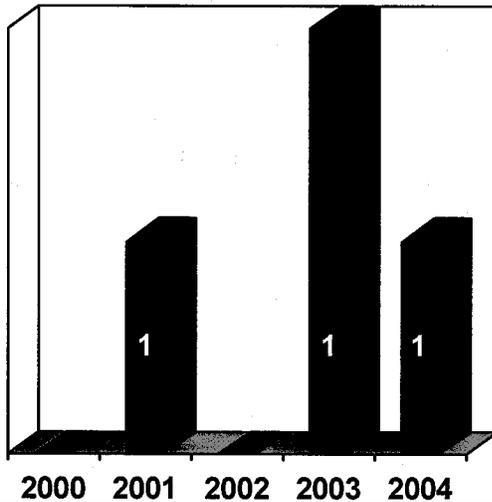
- Currently under TAC review
- Various Programs
  - Acute Psychiatric
  - Acute Substance Abuse
  - Extended Care Psychiatric
  - Extended Care Substance Abuse
- Only inpatient hospital programs are covered
- Numerical need methodology
- Quality standards
  - Minimum number of beds
- Currently 51 adult facilities



Specialized Services : Acute Care Services : Psychiatric & Substance Abuse



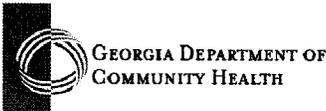
## Acute Adult Psych: Application Data



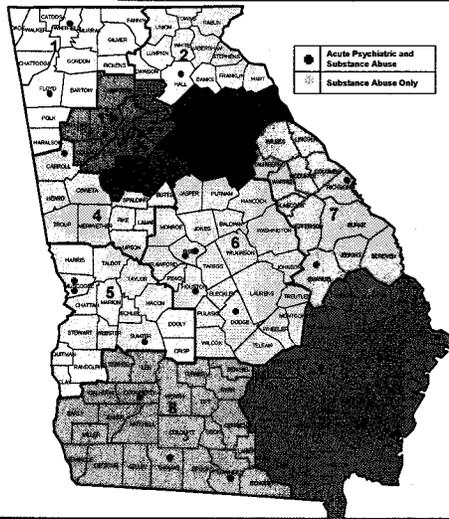
- Withdrawn
- Denied
- Approved

CY2000 - CY2004  
 Total Applications - 4  
 Appealed decisions - 1  
 Decisions reversed - 1  
 Appeal Success Rate: 100%

Specialized Services : Acute Care Services : Psychiatric & Substance Abuse



## Acute Adult Psych: Geographic Distribution



Specialized Services : Acute Care Services : Psychiatric & Substance Abuse



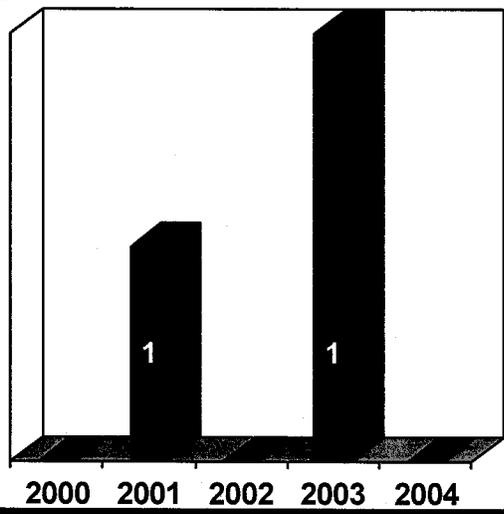
## Acute Adult Psych: Utilization Data

Adult Acute Psych and Substance Abuse (Private Sector)					
Acute Psych Private	2002 Residents Ages 18 and Up	Inventory of Beds	Psych Programs	Beds per 100,000	Utilization
1	509,903	204	3	40.0	97.8%
2	305,693	25	1	8.2	115.3%
3	306,723	20	1	6.5	17.0%
4	334,719	15	1	4.5	81.0%
5	265,177	196	5	73.9	85.3%
6	469,556	172	6	36.6	61.8%
7	314,763	171	4	54.3	102.1%
8	428,460	160	5	37.3	80.0%
9	609,920	191	7	31.3	110.4%
10	1,094,627	476	10	43.5	85.7%
11	795,265	74	4	9.3	78.9%
12	610,825	84	2	13.8	80.9%
13	500,276	69	2	13.8	93.0%
<b>Statewide</b>	<b>6,846,307</b>	<b>1,857</b>	<b>51</b>	<b>28.4</b>	<b>87.7%</b>

Specialized Services : Acute Care Services : Psychiatric & Substance Abuse



## Acute Child & Adolescent Psych: Application Data



- Withdrawn
- Denied
- Approved

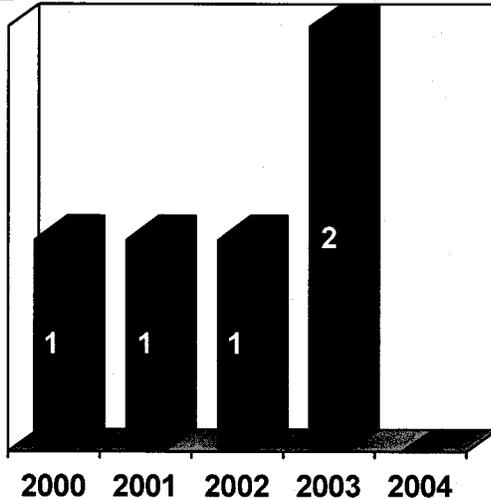
**CY2000 - CY2004**  
 Total Applications - 3  
 Appealed decisions - 0

Specialized Services : Acute Care Services : Psychiatric & Substance Abuse



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### Extended Care Psych: Application Data



- Withdrawn
- Denied
- Approved

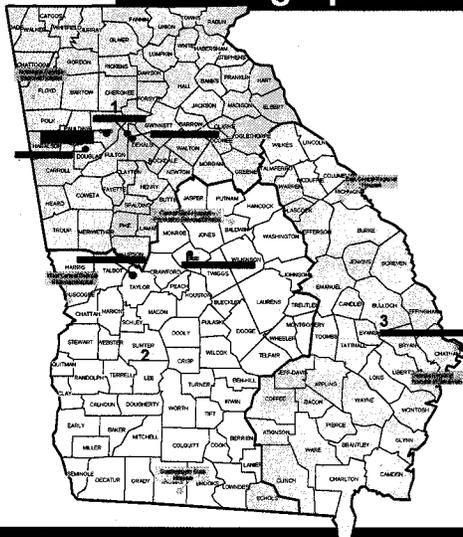
CY2000 - CY2004  
 Total Applications - 5  
 Appealed decisions - 1  
 Reversed decisions - 1  
 Appeal Success Rate: 100%

Specialized Services : Acute Care Services : Psychiatric & Substance Abuse



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### Extended Care Psych: Geographic Distribution



Specialized Services : Acute Care Services : Psychiatric & Substance Abuse



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## Extended Care Psych: Utilization Data

Child and Adolescent Extended Care (Public and Private)					
CIA Extended Pas	2006 Residents Ages 0-17	Inventory of Beds	Extended Care Programs	Beds per 100,000	Utilization
1	1,605,132	744	5	46.4	65.8%
2	412,758	121	5	29.3	54.7%
3	337,309	115	3	34.1	105.1%
Statewide	2,355,199	980	13	41.5	69.1%

Specialized Services : Acute Care Services : Psychiatric & Substance Abuse



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## Special and Other Services

- Magnetic Resonance Imaging
- Computed Tomography
- Ambulatory Surgery
- Radiation Therapy
- Positron Emission Tomography

Specialized Services : Special and Other Services

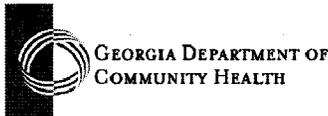


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COMMUNITY HEALTH

## Special and Other Services: Magnetic Resonance Imaging

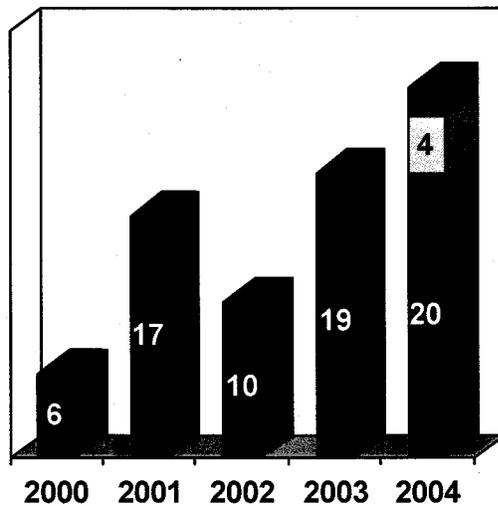
- Exempted if below equipment threshold, currently \$775,103
- There is an LNR process similar to ASCs, except that the request is voluntary
- Currently 186 units within State, 141 of which are hospital based
  - This is not a complete and accurate number of units operating within the state because of exemption

Specialized Services : Special and Other Services : Magnetic Resonance Imaging



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## Magnetic Resonance Imaging: Application Data



- Withdrawn
- Denied
- Approved

CY2000 - CY2004  
Total Applications - 80  
Appealed decisions - 11  
Decisions reversed - 2  
Appeal Success Rate: 9%

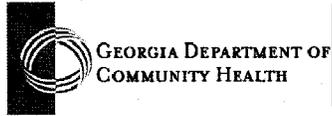
Specialized Services : Special and Other Services : Magnetic Resonance Imaging



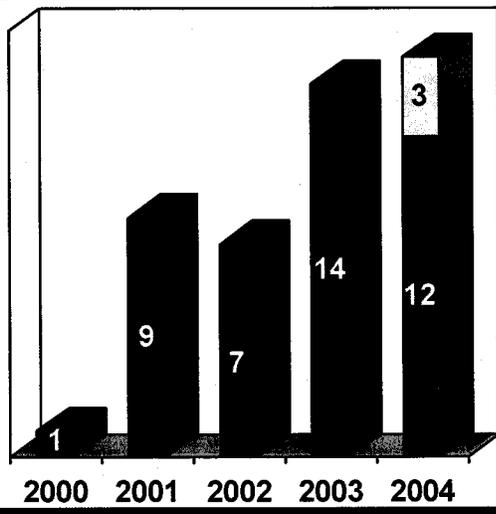
## Special and Other Services: Computed Tomography

- Exempted if below equipment threshold, currently \$775,103
- There is an LNR process similar to ASCs, except that the request is voluntary
- 189 hospital based CTs
  - This is not a complete and accurate number of units operating within the state because of exemption

Specialized Services : Special and Other Services : Computed Tomography



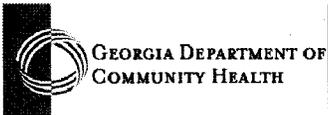
## Computed Tomography: Application Data



- Withdrawn
- Denied
- Approved

CY2000 - CY2004  
 Total Applications - 47  
 Appealed decisions - 3  
 Decisions reversed - 1  
 Appeal Success Rate: 33%

Specialized Services : Special and Other Services : Computed Tomography



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## Special and Other Services: Ambulatory Surgery

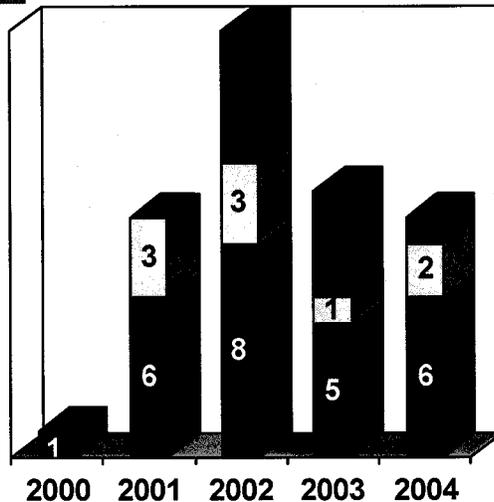
- Currently 145 freestanding ORs
- 128 dedicated outpatient hospital-based ORs
- No utilization exception

Specialized Services : Special and Other Services : Ambulatory Surgery



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## Ambulatory Surgery: Application Data



- Withdrawn
- Denied
- Approved

CY2000 - CY2004

Total Applications - 45  
Appealed decisions - 12  
Decisions reversed - 5  
Appeal Success Rate: 41.6%

Specialized Services : Special and Other Services : Ambulatory Surgery



## Ambulatory Surgery: Utilization Data

Ambulatory Surgery Centers				
Health Planning Areas	2005 Residents	Inventory of Operating Rooms	Operating Rooms per 100,000	Utilization
1	677,410	48	7.1	62.8%
2	404,024	36	8.9	59.8%
3	4,117,080	302	7.3	69.9%
4	410,932	29	7.1	76.0%
5	453,717	40	8.8	52.5%
6	491,024	53	10.8	69.4%
7	432,645	62	14.3	49.2%
8	361,267	47	13.0	58.2%
9	139,135	14	10.1	48.5%
10	502,080	55	11.0	58.1%
11	356,983	35	9.8	55.6%
12	227,542	26	11.4	59.8%
13	327,167	31	9.5	66.6%
Statewide	3,901,006	776	3.7	53.6%

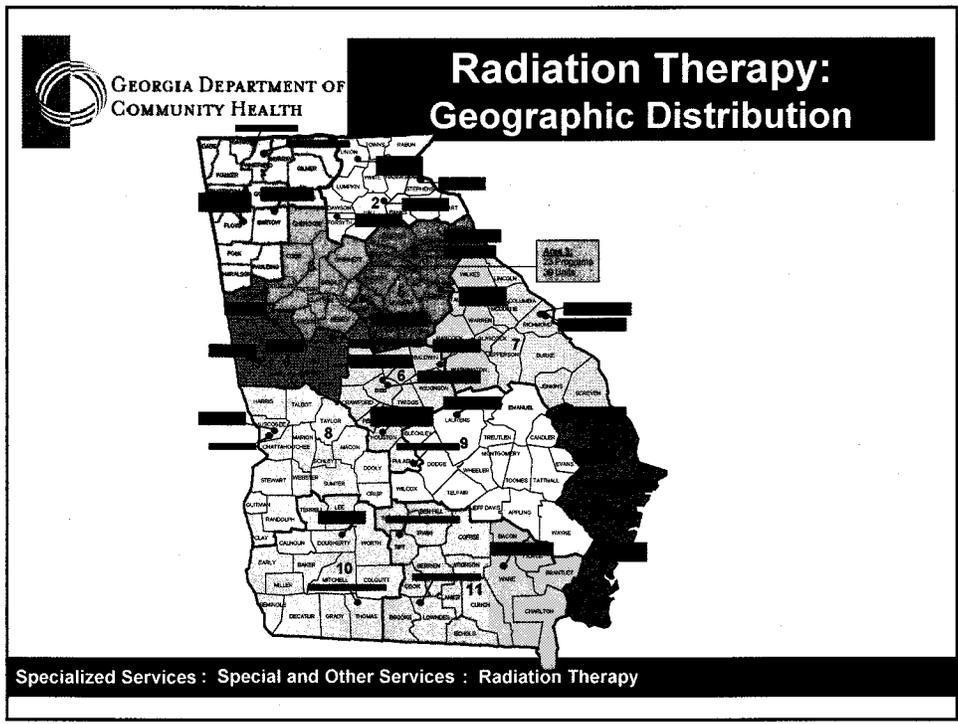
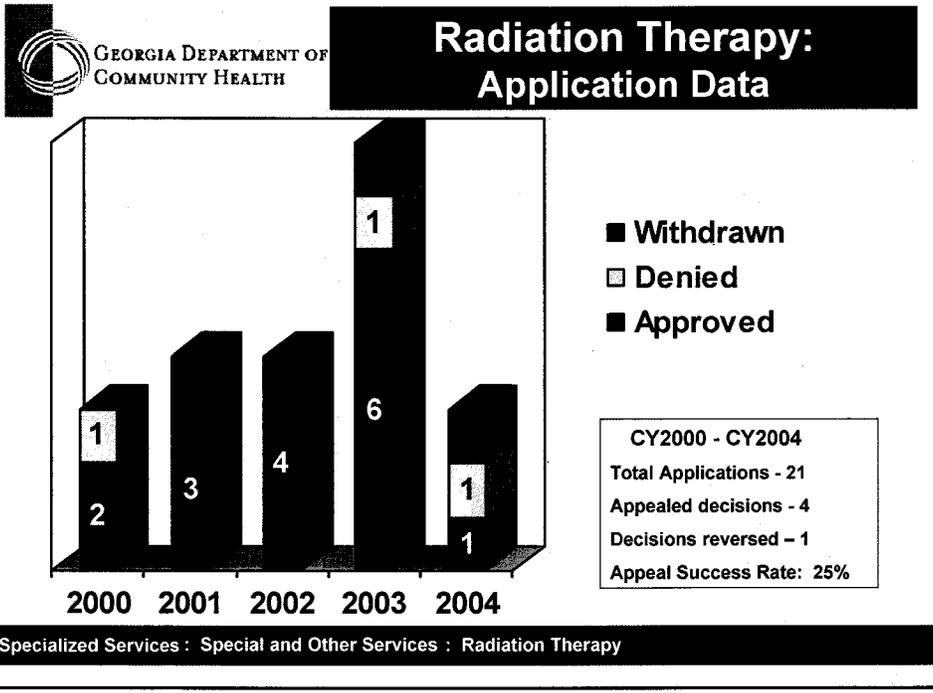
Specialized Services : Special and Other Services : Ambulatory Surgery



## Special and Other Services: Radiation Therapy

- Utilization Exception; allows expansion of an existing service, if the actual utilization of each radiation therapy unit within that service has exceeded 90% of optimal utilization (6,000 treatment visits per year per radiation therapy unit) over the most recent two years.
- 5 cobalt and 88 linear accelerators

Specialized Services : Special and Other Services : Radiation Therapy





## Radiation Therapy: Utilization Data

Radiation Therapy					
SDOH	2005 Residents	Inventory of Units	Radiation Therapy Programs	Units per 100,000	Utilization
1	787,333	6	4	0.8	68.8%
2	544,226	5	4	0.9	68.8%
3	3,783,839	38	23	1.0	81.2%
4	453,717	5	4	1.1	82.7%
5	507,168	5	4	1.0	58.6%
6	456,636	5	5	1.1	25.6%
7	441,586	5	2	1.1	106.5%
8	361,267	4	2	1.1	83.6%
9	279,695	2	1	0.7	41.4%
10	356,983	5	2	1.4	94.0%
11	369,363	4	3	1.1	79.3%
12	559,193	9	4	1.6	62.8%
Statewide	3,907,006	83	58	1.0	75.0%

Specialized Services : Special and Other Services : Radiation Therapy



## Special and Other Services: Positron Emission Tomography

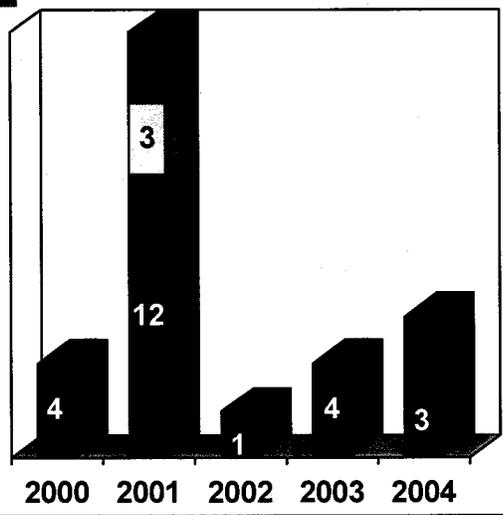
- Community-based need methodology
- Can be mobile or fixed service
- Quality standards
  - FDA approval of unit
  - Direct supervision of MD certified in nuclear medicine or radiology
  - Documented training of staff
- 21 fixed-based PETs and 5 mobile

Specialized Services : Special and Other Services : Positron Emission Tomography



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### Positron Emission Tomography: Application Data



- Withdrawn
- Denied
- Approved

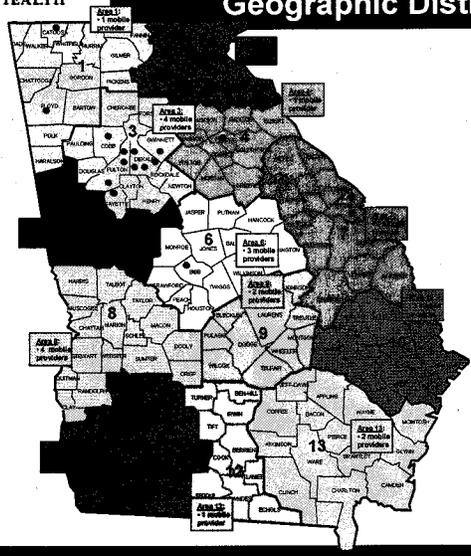
CY2000 - CY2004  
 Total Applications - 34  
 Appealed decisions - 8  
 Decisions reversed - 5  
 Appeal Success Rate: 62.5%

Specialized Services : Special and Other Services : Positron Emission Tomography

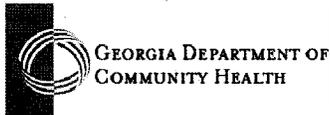


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### Positron Emission Tomography: Geographic Distribution



Specialized Services : Special and Other Services : Positron Emission Tomography



## Positron Emission Tomography: Utilization Data

Positron Emission Tomography					
Health Planning Areas	2005 Residents	Inventory of Scanners	PET Programs	Units per 100,000	Utilization
1	677,410	2	2 fixed, 1 mobile	0.3	21.5%
2	404,024	1	1 fixed, 2 mobile	0.3	1.8%
3	4,117,080	13	10 fixed, 4 mobile	0.3	23.0%
4	410,932	1	1 fixed, 1 mobile	0.3	10.0%
5	453,717	1	1 fixed, 1 mobile	0.3	9.7%
6	491,024	1	1 fixed, 3 mobile	0.3	25.6%
7	432,645	2	2 fixed, 1 mobile	0.5	18.5%
8	361,267	0	4 mobile	0.1	44.6%
9	139,135	0	2 mobile	0.1	9.6%
10	502,080	1	3 mobile	0.3	17.0%
11	356,983	1	2 mobile	0.4	27.7%
12	227,542	0	1 mobile	0.1	87.5%
13	327,167	0	2 mobile	0.1	56.8%
Statewide	5,591,006	26	18 fixed, 27 mobile locations	0.3	21.5%

Specialized Services : Special and Other Services : Positron Emission Tomography



## Long Term Care Services

- Skilled Nursing
- Home Health
- Personal Care Homes
- Continuing Care Retirement Communities
- Comprehensive Inpatient Physical Rehabilitation
- Traumatic Brain Injury Facilities
- Long Term Care Hospitals

Specialized Services : Long Term Care Services



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## Long Term Care Services: Skilled Nursing

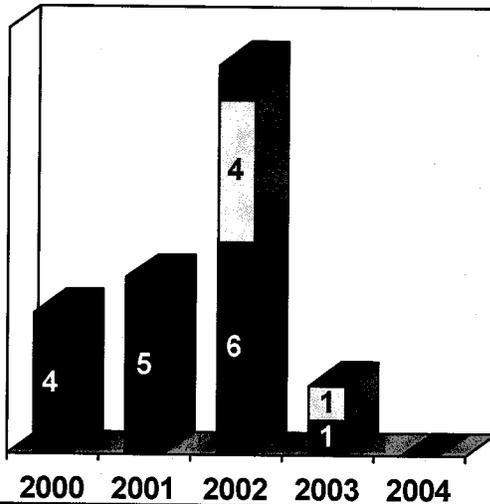
- Applications are batched
- Every six months, the Department determines whether a need exists for additional beds; if a need exists, applications can be submitted and competitively reviewed
- 362 facilities with 39,675 beds

Specialized Services : Long Term Care Services : Skilled Nursing



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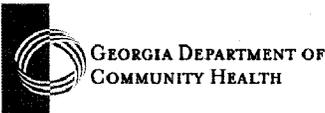
## Skilled Nursing: Application Data



- Withdrawn
- Denied
- Approved

CY2000 - CY2004  
 Total Applications - 23  
 Appealed decisions - 1  
 Decisions reversed - 0  
 Appeal Success Rate: 0%

Specialized Services : Long Term Care Services : Skilled Nursing



## Skilled Nursing: Utilization Data

General Nursing Homes							
SNF#	2005 Residents		Inventory of SNF Beds	Number of Facilities	SNF Beds per 10,000		Occupancy Rate
	Total	Ages 65 Up			Total Residents	Ages 65 Up	
1	787,333	101,857	3,761	38	47.8	369.2	91.0%
2	544,226	70,793	2,202	19	40.5	311.0	92.0%
3	3,783,839	300,403	10,602	76	28.0	352.9	88.0%
4	453,717	56,265	2,406	22	53.0	427.6	92.0%
5	507,168	57,551	2,013	23	39.7	349.8	93.0%
6	456,636	57,213	3,038	29	66.5	531.0	84.0%
7	441,586	53,485	2,777	28	62.9	519.2	90.0%
8	361,267	45,644	2,470	20	68.4	541.1	89.0%
9	279,695	40,352	2,990	32	106.9	741.0	87.0%
10	356,983	48,676	2,178	23	61.0	447.4	91.0%
11	369,363	48,174	2,570	25	69.6	533.5	91.0%
12	559,193	64,428	2,668	27	47.7	414.1	85.0%
<b>TOTAL</b>	<b>8,307,006</b>	<b>944,541</b>	<b>39,678</b>	<b>262</b>	<b>44.6</b>	<b>419.9</b>	<b>89.0%</b>

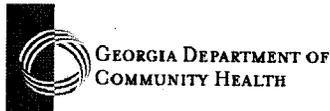
Specialized Services : Long Term Care Services : Skilled Nursing



## Long Term Care Services: Home Health

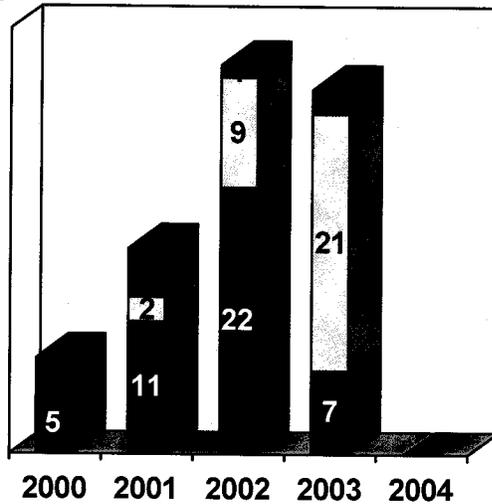
- Applications are batched
- Every six months, the Department determines whether a need exists for additional services; if a need exists, applications can be submitted and competitively reviewed
- CONs are awarded by County
- Currently 103 agencies

Specialized Services : Long Term Care Services : Home Health



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## Home Health: Application Data



■ Withdrawn  
□ Denied  
■ Approved

CY2000 - CY2004

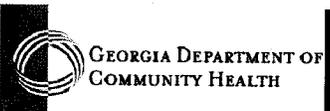
Total Applications - 87

Appealed decisions - 36

Decisions reversed - 3

Appeals Success Rate: 8.33%

Specialized Services : Long Term Care Services : Home Health



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## Long Term Care Services: Personal Care Home

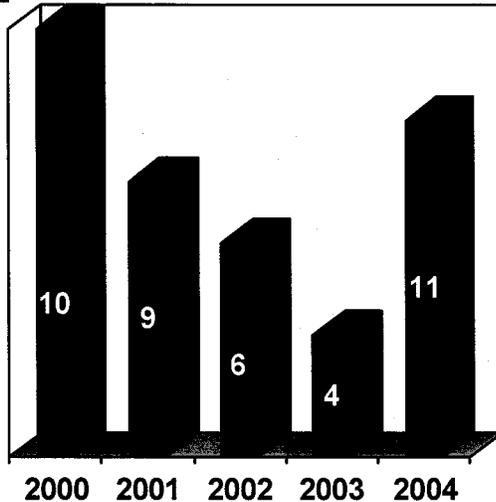
- Utilization Exception; allows expansion of an existing personal care home if actual utilization has exceeded 90% average annual occupancy based on number of licensed beds for the two year period immediately preceding application
- Currently 252 facilities with 16,254 beds

Specialized Services : Long Term Care Services : Personal Care Home



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## Personal Care Home: Application Data



- Withdrawn
- Denied
- Approved

CY2000 - CY2004  
Total Applications - 45  
Appealed decisions - 0

Specialized Services : Long Term Care Services : Personal Care Home



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## Personal Care Home: Utilization Data

Personal Care Home (Greater than 24 Beds)						
SSBR	2004 Residents Ages 65 Up	Inventory of Authorized Beds	Number of Facilities	Beds per 10,000	Ending Census of PCH Residents	Resident Census per 10,000
1	101,857	1,134	21	111.3	794	78
2	70,793	915	15	129.3	621	88
3	300,403	7,916	110	263.5	5,328	177
4	56,265	645	13	114.6	434	77
5	57,551	1,251	20	217.4	773	134
6	57,213	799	13	139.7	530	93
7	53,485	356	7	66.6	253	47
8	45,644	1,039	15	227.6	711	156
9	40,352	176	4	43.6	127	31
10	48,676	523	9	107.4	323	66
11	48,174	491	9	101.9	343	71
12	64,428	1,009	16	156.6	600	93
<b>Total</b>	<b>944,641</b>	<b>15,352</b>	<b>252</b>	<b>172.0</b>	<b>10,037</b>	<b>115</b>

Specialized Services : Long Term Care Services : Personal Care Home



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## Long Term Care Services: Continuing Care Retirement Community

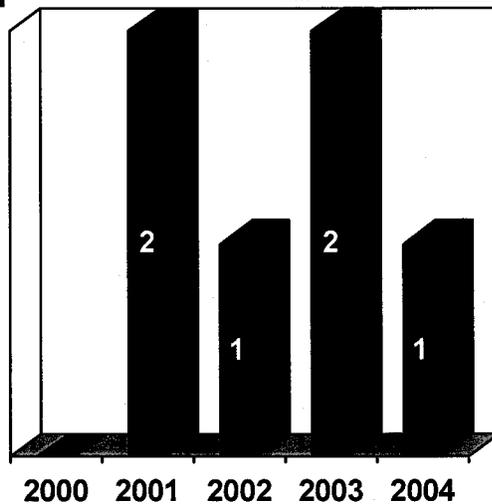
- Offer a continuum of long term care
  - Independent living
  - Assisted living
  - Skilled nursing
- Bifurcated process of review; Department of Insurance certification in addition to CON requirements
- Currently 12 facilities

Specialized Services : Long Term Care Services : Continuing Care Retirement Community



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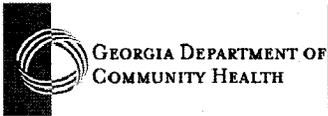
## Continuing Care Retirement Community: Application Data



- Withdrawn
- Denied
- Approved

CY2000 - CY2004  
Total Applications - 6  
Appealed decisions - 0

Specialized Services : Long Term Care Services : Continuing Care Retirement Community



## Long Term Care Services: Comprehensive Rehabilitation

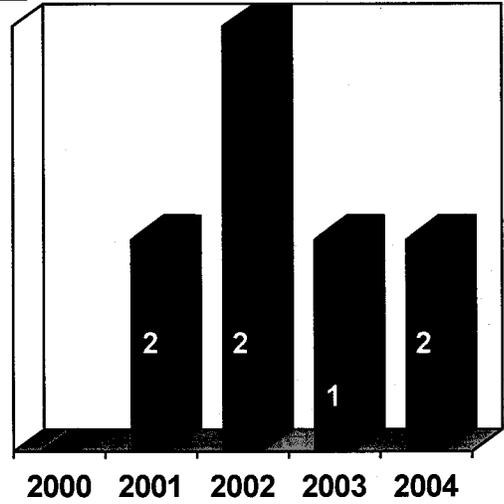
- Currently under TAC review
- Definition: services to patients with one or more medical conditions requiring intensive and interdisciplinary inpatient rehabilitation care
- Numerical need methodology
- New federal reimbursement guidelines
- Freestanding or based in acute care hospitals
- Quality standards:
  - CARF accreditation
- Types of Programs
  - Spinal Cord Disorders
  - Adult
  - Pediatric
- Currently 879 Adult beds, 31 Pediatric, 120 Spinal Cord



Specialized Services : Long Term Care Services : Comprehensive Rehabilitation



## Comprehensive Rehabilitation: Application Data



- Withdrawn
- Denied
- Approved

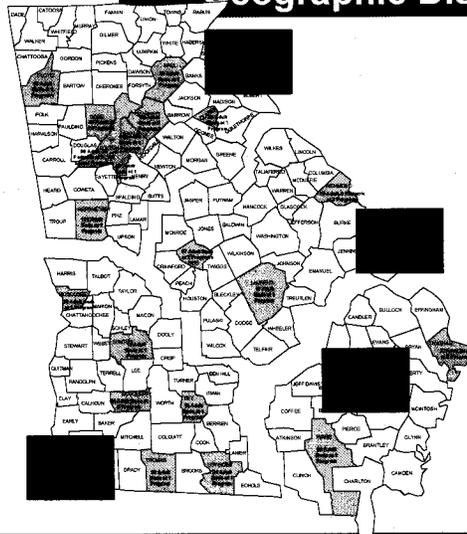
CY2000 - CY2004  
 Total Applications - 10  
 Appealed decisions - 3  
 Decisions reversed - 0

Specialized Services : Long Term Care Services : Comprehensive Rehabilitation



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## Comprehensive Rehabilitation: Geographic Distribution



Specialized Services : Long Term Care Services : Comprehensive Rehabilitation

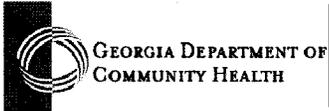


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## Comprehensive Rehabilitation: Utilization Data

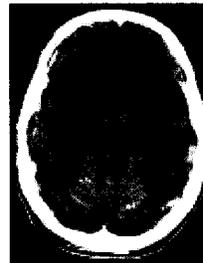
Comprehensive Inpatient Physical Rehabilitation Services					
CIPR Planning Areas	2005 Residents	Inventory of CIPR Beds	Number of Programs	CIPR Beds per 100,000	Occupancy Rates
1	6,063,163	430	18	7.1	72.3%
2	1,075,776	188	5	17.5	74.5%
3	945,792	164	7	17.3	44.1%
4	816,275	97	4	11.9	73.2%
Statewide	8,901,006	879	34	9.9	68.1%

Specialized Services : Long Term Care Services : Comprehensive Rehabilitation



## Long Term Care Services: Traumatic Brain Injury

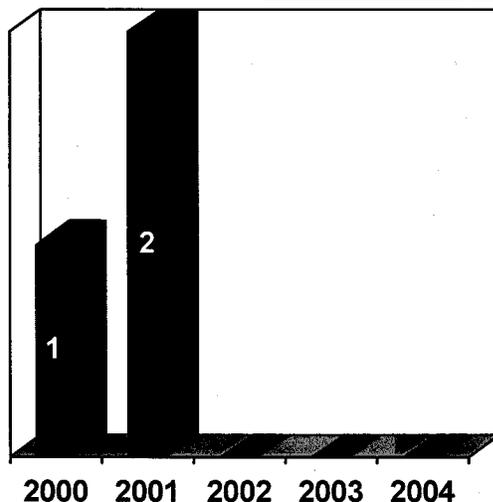
- Currently under TAC review
- Definition: services to patients with traumatic insult to the brain resulting in organic damage that may cause physical, intellectual, emotional, social, and vocational changes but not mental illness
- Types of Programs
  - Transitional Living
  - Life Long Living
- Numerical need methodology
- Quality standards
  - CARF accreditation
- Currently 81 Transitional beds, 40 Lifelong Beds



Specialized Services : Long Term Care Services : Traumatic Brain Injury



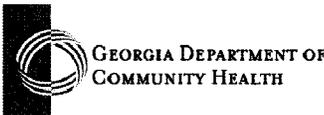
## Traumatic Brain Injury: Application Data



- Withdrawn
- Denied
- Approved

CY2000 - CY2004  
Total Applications - 3  
Appealed decisions - 0

Specialized Services : Long Term Care Services : Traumatic Brain Injury



## Traumatic Brain Injury: Geographic Distribution

### Traumatic Brain Injury Facilities

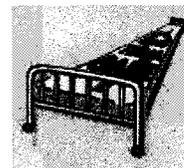
SSDR	County	Facility Name	Facility Operational Status	TBI Beds Existing	TBI Beds Approved	Total TBI Beds	Bed Allocation
1	Walker	Safehaven	Operational	12	0	12	-- Transitional Beds=0 Lifelong Beds=12
3	Cobb	Transitions Atlanta	Operational	14	0	14	-- Transitional Beds: 14 Lifelong Beds: 0
3	DeKalb	Shepherd Pathways	Operational	27	0	27	-- Transitional Beds: 17 Lifelong Beds: 10
3	Fulton	Atlanta Rehabilitation	Operational	10	0	10	-- 1991-104 authorizes a 10-bed Transitional Living program
3	Fulton	Restore Neurobehavioral Center	Operational	24	0	24	-- 2001-091 authorizes a 12-bed Transitional Living Program and a 12-Bed Life-Long Living Program
3	Gwinnett	Learning Services Corporation-Peachtree Campus	Operational	18	0	18	-- 1991-107 authorizes an 18-bed Transitional Living program.
3	Gwinnett	Palm Creek Farm	Operational	6	0	6	-- Transitional Beds: 0 Lifelong Beds: 6
7	Richmond	Walton Transitional Living Center	Operational	20	0	20	-- Transitional Beds: 10 Lifelong Beds: 10

Specialized Services : Long Term Care Services : Traumatic Brain Injury

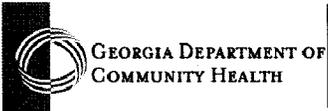


## Long Term Care Services: Long Term Care Hospitals

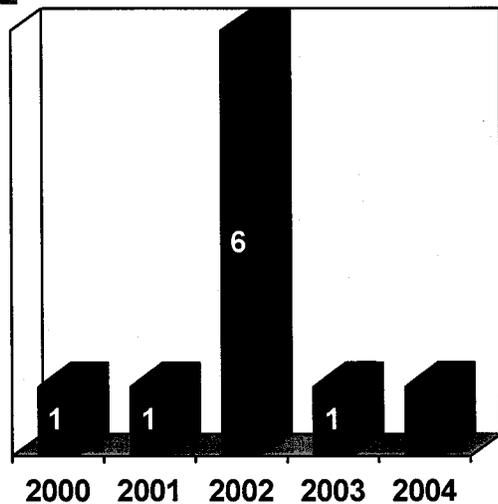
- Currently under TAC review
- No specific standards currently
- Definition: hospital that has an average length of stay of greater than 25 days and is certified by the Center for Medicare and Medicaid Services ("CMS") as a long term care hospital
- Can be a freestanding hospital or a hospital-within-a-hospital
- Currently 749 beds and 15 providers



Specialized Services : Long Term Care Services : Long Term Care Hospitals



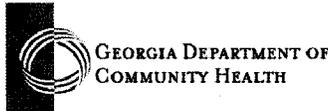
## Long Term Care Hospitals: Application Data



- Withdrawn
- Denied
- Approved

CY2000 - CY2004  
 Total Applications - 10  
 Appealed decisions - 0

Specialized Services : Long Term Care Services : Long Term Care Hospitals



## Long Term Care Hospitals: Utilization Data

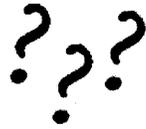
Long Term Acute Care Hospitals			
SSDR	Number Facilities	Approved Beds	Occupancy Rate
1	1	20	85.8%
2	0	0	0.0%
3	8	525	22.2%
4	0	0	0.0%
5	0	0	0.0%
6	1	34	0.0%
7	3	100	57.1%
8	1	30	56.1%
9	0	0	0.0%
10	0	0	0.0%
11	0	0	0.0%
12	1	40	57.5%
Statewide	15	749	30.8%

Specialized Services : Long Term Care Services : Long Term Care Hospitals



GEORGIA DEPARTMENT OF  
COMMUNITY HEALTH

## Questions



*Questions*

Specialized Services

**Data to Measure the Certificate of Need Program's Impact on Accessibility, Cost, and Quality  
Available Through DCH**

<b>Data Element</b>	<b>Source</b>	<b>Comments</b>
<u>Medicaid and Uninsured Access to Healthcare</u>	DCH evaluates performance of providers related to provision of services to Medicaid, Indigent, and Charity Care Cases.	CON appears to have a positive impact on encouraging access for Medicaid and uninsured patients.
<u>Cost and Charge</u> Cost Associated with Administration of the Program  Cost to Consumers and Tax Payers  Provider Costs or Expenses	Fees and Administrative Costs have been provided.  Claims data is available from Medicaid, State Health Benefit Plans, and other payers of healthcare services (BCBS, United Healthcare, etc.)  Certain financial data can be obtained from Audited Financial Statements, Cost Reports, IRS Filings, the Hospital Financial Survey	DCH is gathering data from internal sources and investigating availability of data from other sources. Will be charge data.  Available financial data do not capture consistent financial data across providers and services and appear to present difficulties in applying at the service level.
<u>Quality</u>	Accreditation agencies, some regulatory agencies, CMS, and certain national organizations monitor "quality" indicators. Much of this data can be obtained.	DCH focus is on utilization data and not specifically on quality. Many other sources focus more on volume as a surrogate for quality since quality is difficult to actually measure.



# American College of Surgeons

633 N Saint Clair St  
Chicago, IL 60611-3211

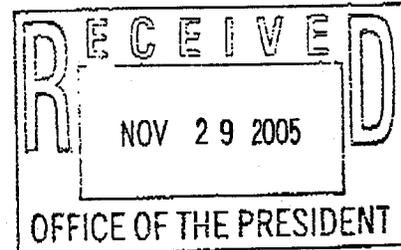
Voice: 312/202-5000  
Fax: 312/202-5001

e-mail: postmaster@facs.org  
ACS Web site: http://www.facs.org

November 21, 2005

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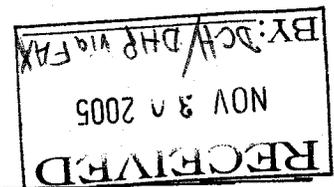


Dear Doctor Rahn:

For many years, General Surgeons in the state of Georgia have been fighting an issue that is well-known to you: being incorrectly defined as a multispecialty in the Certificate of Need (CON) statute relating to exemptions from this law for single specialties to open ambulatory surgery centers. In fact, incontrovertible evidence was presented at the October 24, 2005 meeting of the State Commission on the Efficacy of CON that General Surgery is a single specialty, and is seen as such by the entire medical profession. The American College of Surgeons, American Society of General Surgeons, American Board of Medical Specialties, American Medical Association, American Board of Surgery, Georgia Chapter of the ACS, Georgia Surgical Society, and Georgia Society of General Surgeons all agree that General Surgery is a single specialty.

Even though the evidence is clear, your Commission did not vote to support the position that General Surgery is a single specialty. Instead, politics and profit took precedence over patient care, with the Commission voting to avoid taking any action on this issue until its report is issued in 2007.

The American College of Surgeons is very disappointed with this action. General Surgeons comprise almost 50 percent of our membership, and their attendance at our Annual Clinical Congress makes this meeting the largest General Surgery-focused meeting in the world. We represent General Surgery on the RBRVS Update Committee (RUC), and our own General Surgery Coding and Reimbursement Committee sets policy and provides data in support of General Surgery and physician payment issues. In every instance, General Surgery is seen as a single specialty – except, of course, in the State of Georgia. In fact, we have not been able to find any place but the State of Georgia where anyone has even posed the question.



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Dan Rahn, MD  
November 21, 2005  
Page Two

The definition of General Surgery in your state must be corrected to reflect what the rest of the world acknowledges as true – that General Surgery is a single specialty. We urge you and the Commission to reconsider this issue and vote to support the position that General Surgery is a single specialty; waiting until 2007 is not an acceptable solution to this problem.

Sincerely,

A handwritten signature in cursive script, appearing to read "T. R. Russell".

Thomas R. Russell, MD, FACS  
Executive Director

cc: Thomas Gadacz, MD, FACS  
ACS Governor, Georgia

**RESOLUTION**

**STATE COMMISSION ON THE EFFICACY OF THE CERTIFICATE OF NEED  
PROGRAM**

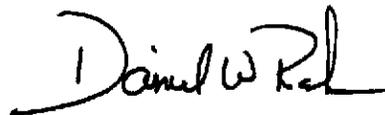
WHEREAS, as required by the General Assembly, the Commission shall issue a final report of its findings to the Governor and the General Assembly on or before June 30, 2007, which report shall include proposed legislative changes to the CON program; and,

WHEREAS, The Commission believes that the General Assembly should consider changes to the Certificate of Need program only after the Commission has conducted its comprehensive review of the program and issued its final report.

NOW, THEREFORE, BE IT RESOLVED:

The Commission respectfully requests the General Assembly not take any action affecting the Certificate of Need Program during the 2006 legislative session.

Adopted this 14<sup>th</sup> day of December, 2005.



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Daniel W. Rahn, MD  
Chairman, State Commission on the  
Efficacy of the Certificate of Need  
Program