Georgia Department of Community Health

Commission on the Efficacy of the CON Program

Commission on the Efficacy of the CON Program:

Organization & Process

April 27, 2006

Discussion Points

- Mission of Commission
- Statutory Duties of Commission
- Proposed Sub-Committee Structure
- Work Plan and Process
  - Phases
  - Outcomes & Results
  - Consultants
- Next Steps

Mission of CON

A work plan for the Commission cannot be developed without first understanding the statutory mission of the CON program . . .

- Does the CON Program as currently administered meet the statutory mission to:
  - Avoid unnecessary duplication of services
  - Develop services in an orderly and economical manner
  - Ensure that adequate and cost effective health care services are available to meet the needs of all Georgians

Statutory Duties

. . . as well as the Commission's statutory duties.

- Study & evaluate the effectiveness & efficiency of the CON Program
- Undertake a comprehensive review of the CON Program to include:
  - Effectiveness in accomplishing original policy objectives
  - Program's costs
  - Benefits of continued/discontinued
  - Financial impact if continued/discontinued
  - Impact on quality, availability, & cost of health care if continued/discontinued
  - Impact on providing patient care in trauma hospitals, critical access hospitals, & public hospitals if continued/discontinued
  - Impact on providing service to Medicaid & indigent patients if continued/discontinued
- Evaluate and consider the experiences of other states which utilize & which have abolished CON
- Identify findings & conclusions
- Make recommendations for proposed legislation

O.C.G.A. 31-6-94

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Proposed Sub-Committee Structure

The statutory duties and mission of Commission will be addressed by four sub-committees.

Commission on the Efficacy of the CON Program

- **Acute Care Sub-Committee**
- **Long Term Care Sub-Committee**
- **Special & Other Services Sub-Committee**
- **Legal & Regulatory Issues Sub-Committee**

Each of three sub-committees will focus on certain defined health care services.

A fourth sub-committee will focus on issues directly related to specific elements of the legislative & regulatory process & procedure.

Sub-Committee Structure:
Advantages of Proposed Structure

The proposed sub-committee structure has several distinct advantages.

- Each sub-committee has a defined area of focus, i.e. clearly delineated services
  - with a focus on objective data collection and evaluation, which more readily allow for consensus on each point
- Since the Commission has reached a consensus that the CON Program should not be abolished entirely, the delineation by service allows each sub-committee to focus on how CON should be modified by service
  - provides for a review of every component of the CON Program as measured against program objectives
  - provides multiple opportunities for update, change, correction, and overall modification

Sub-Committee Structure:
Advantages of Proposed Structure

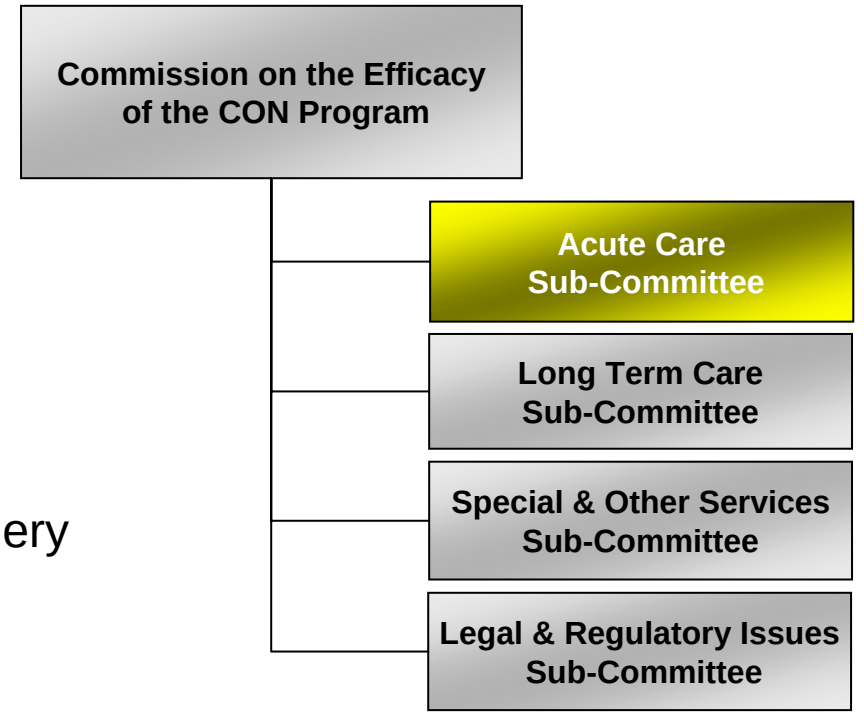
The proposed sub-committee structure has several distinct advantages.

- The structure is a natural progression of the fashion in which the Commission has conducted its proceedings to date

- The proposed structure facilitates a review of some of the perceived shortcomings of the statute and regulations and program internal inconsistencies:
  - Statutory confusion
  - Content limitations (e.g. services that are not covered)
  - Program redundancy (e.g. appeals process)
  - Thwarts competition
  - Inconsistent treatment
  - No real quality review standards
  - Overly bureaucratic and burdensome

Sub-Committee Structure

One sub-committee will focus entirely on issues relating to acute care services.



Currently Regulated Services

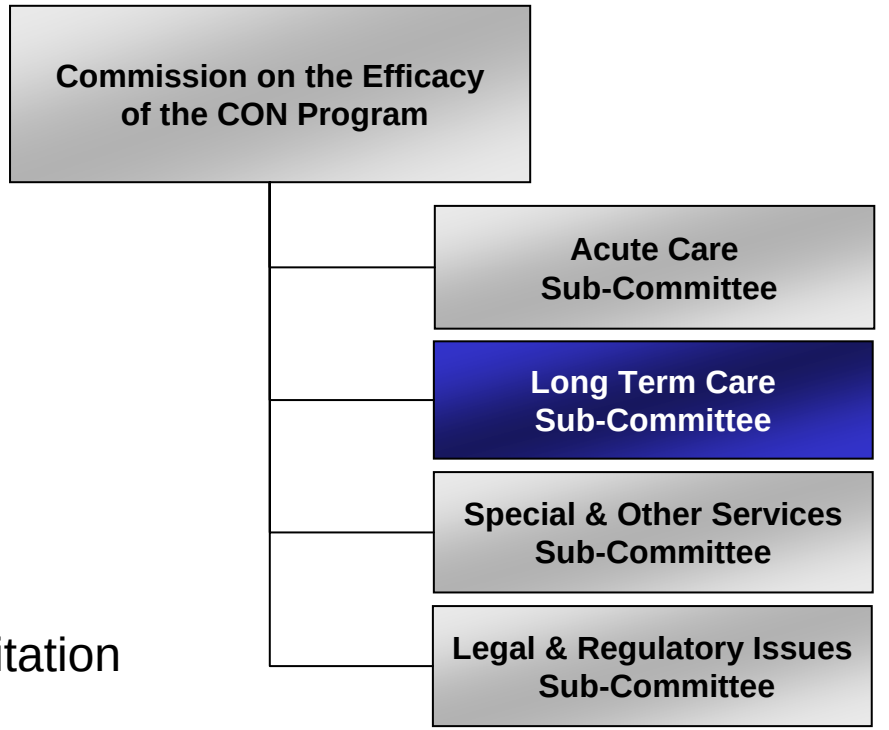
- Short Stay Hospital Beds
- Adult Cardiac Catheterization
- Open Heart Surgery
- Pediatric Catheterization & Open Heart Surgery
- Perinatal Services
- Freestanding Birthing Centers
- Psychiatric & Substance Abuse

Currently Non-Regulated Services

- Organ Transplant
- Burn Units

Sub-Committee Structure

One sub-committee will focus entirely on issues relating to long term care services.



Currently Regulated Services

- Skilled Nursing
- Home Health
- Personal Care Home
- CCRCs
- Traumatic Brain Injury Facilities
- Comprehensive Inpatient Physical Rehabilitation
- Long Term Care Hospitals

Currently Non-Regulated Services

- Hospice

Sub-Committee Structure

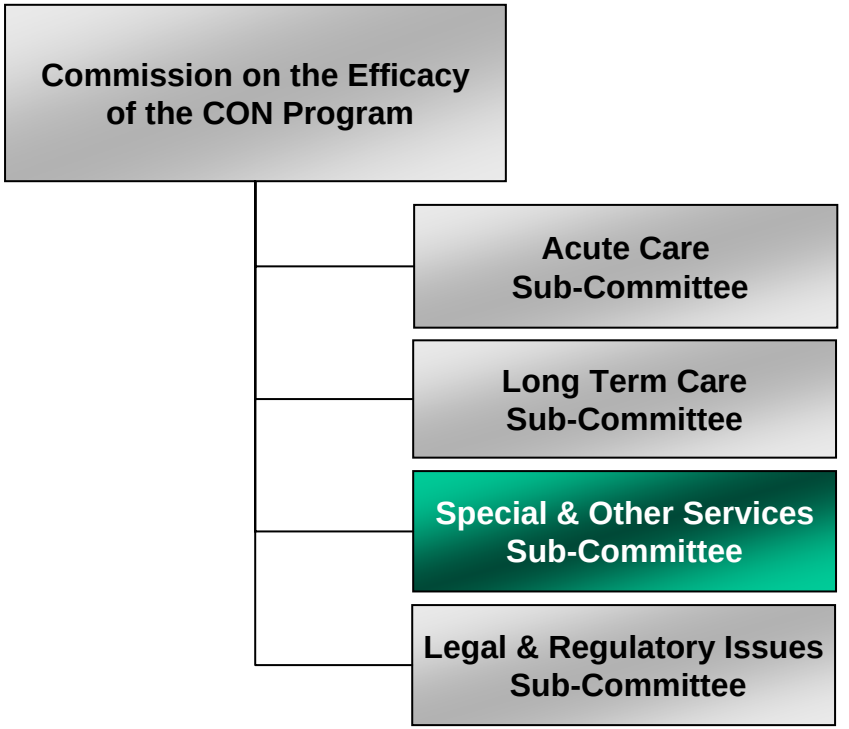
One sub-committee will focus entirely on issues relating to special and other services.

Currently Regulated Services

- Ambulatory Surgery Centers (CON & LNR)
- Positron Emission Tomography
- Radiation Therapy Services
- Magnetic Resonance Imaging
- Computed Tomography

Currently Non-Regulated Services

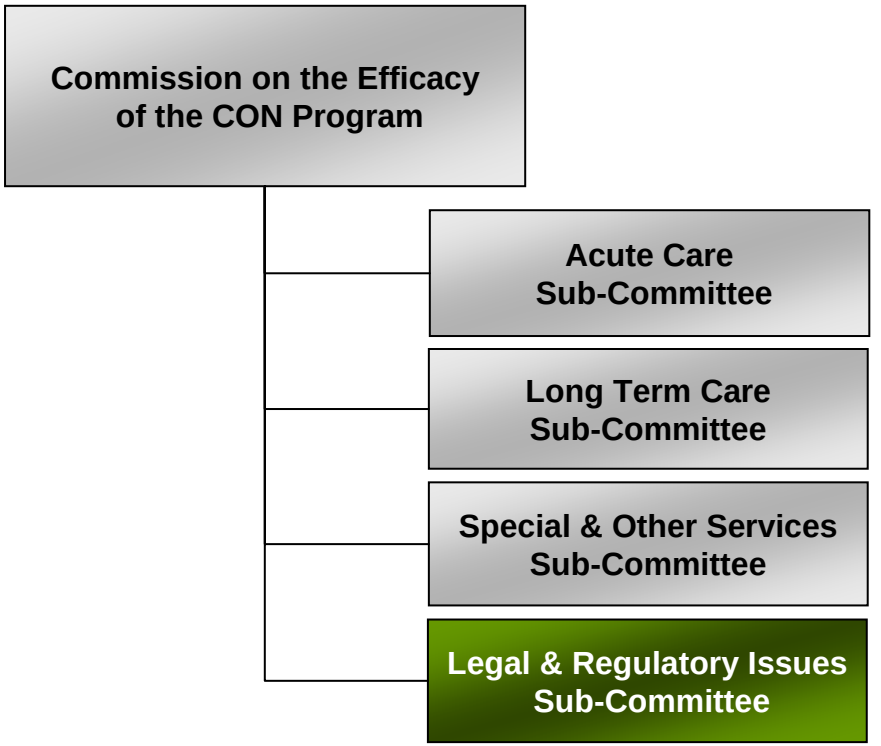
- Renal Dialysis
- Refractive Eye Centers



Sub-Committee Structure

One sub-committee will focus entirely on issues relating to legal and regulatory issues.

- Appeals Process
- Advice and Rule Making Process
- Definitions
- Sanctions & Enforcement
- Statutory Exemptions (other than ASC)
- Statutory Review Considerations
- Process and Procedure
- Thresholds
- Indigent & Charity Care Provisions



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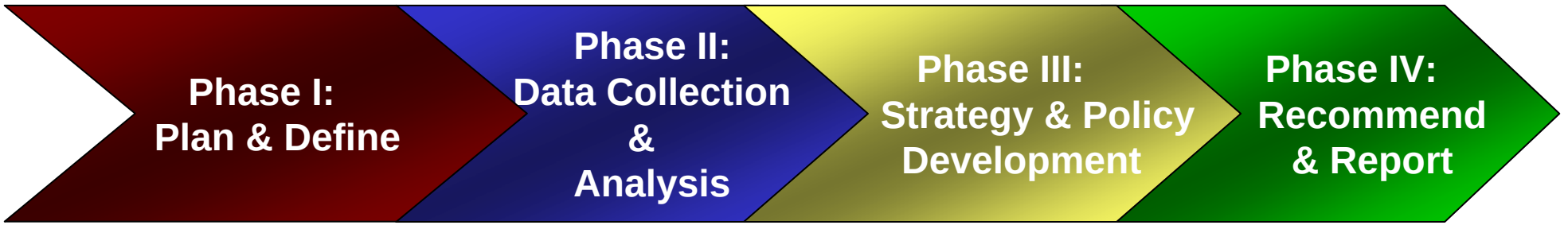
Work Plan & Process

The work of the Commission and its sub-committees will be directed by a clearly defined work process in four phases.



Phase I: Plan & Define

- Assess Data Needs & Requirements
- Identify Comparison Points
- Define Scope of Consultant Engagement
- Develop RFP
- Select Consultant(s)
- Develop Work Plan with Consultant(s)

Mar 2006 – July 2006

Phase II: Data Collection & Analysis

- Collect external data
- Review internal data
- Analyze in detail all internal and external data by service where applicable

July 2006 – Sept 2006

Phase III: Strategy & Policy Development

- Development of options and strategies for modification of legislation, regulation, and policy by service where applicable

Sept 2006 – Oct 2006

Phase IV: Recommend & Report

- Adopt interim recommendations
- Draft proposed legislation
- Recommend detailed modifications to regulations
- Issue Final Report

Nov 2006 - Dec 2006

Phase I: Plan & Define

(Mar 2006 – July 2006)

In the first phase of the work plan, the project will be planned and defined.

1. Assess internal Department data capabilities by service
2. Identify appropriate comparison states
3. Identify external data requirements
4. Define the scope of consulting engagement
5. Present scope and needs to each sub-committee → Provide input and approve the scope and consultant needs
6. Develop RFP incorporating sub-committee suggestions
7. Present RFP to Commission → Provide input and approve RFP
8. Publish RFP
9. Present RFP responses to Commission → Select Consultant(s)
10. Review and Plan with Consultant(s)

Phase I: Plan & Define

(Mar 2006 – July 2006)

At the conclusion of Phase I, the Sub-Committees and the Commission will have developed and finalized the following work products.

- List of data capabilities, requirements, and needs, by service where appropriate
- List of Department-identified legislative and regulatory issues
- Consultant engagement RFP
- Detailed work plan for each sub-committee, by service where appropriate

Phase I: Plan & Define

(Mar 2006 – July 2006)

The ultimate outcome of Phase I is the engagement of economist/data consultant(s).

- Economist/data consultant(s) would be obtained to provide objective data and analysis of data as opposed to providing conclusions and recommendations
  - Defining the scope of the consultant engagement as objective, rather than subjective should enable greater consensus among the Commission in the selection of a consultant
  - Based on information obtained from other states that conducted similar commissions, it is estimated that economist/data consultant(s) would range from $80,000 to $160,000
- In addition to the economist/data consultant(s), two organizations/individuals (one in favor of CON and one opposed) would be selected to make a presentation to the Commission as a whole regarding their conclusions
  - It is estimated that such presentations could be obtained at approximately $3000 each, and therefore, as an exception to the State procurement process

Phase I: Plan & Define

(Mar 2006 – July 2006)

The Commission has developed a list of potential consulting firms and organizations. Some may be more appropriate for assisting in the data collection and objective analysis and others more appropriate for general presentation of their existing knowledge and experience with CON.

Presentation

1. Alan Baughcum, PhD
   Economic Analysis, USDOJ, Washington, DC
2. Pamela Barclay
   Director, Maryland Health Care Commission, Baltimore, MD
3. William Cleverly, PhD
   Ohio State University, OH
4. Jeffery Gregg
   Chief, Bureau of Health Care Administration, Tallahassee, FL
5. Frank A. Sloan, PhD
   Sanford Institute of Public Policy, Duke University, NC
6. Bruce D. Spector, JD
   Vermont
7. Kenneth E. Thorpe, PhD
   Emory University, Atlanta, GA

Data Collection & Analysis

1. Christopher J. Conover, PhD & Frank A. Sloan, PhD
   Duke University
2. Vivian Ho, PhD
   Department of Economics, Rice University
3. Karen Minyard, PhD
   Health Policy Center, Georgia State University
4. Michael A. Morrissey, PhD
   UAB Center for Health Policy, Birmingham, AL
5. Gregory Vistnes
   Charles River Associates, Washington, DC
6. Lawrence Wu
   NERA, Economic Consulting, San Francisco, CA
7. Robert J. Cimasi
   Health Capital Consultants, St. Louis, MO

Phase II: Data Collection & Analysis

(July 2006-Sept 2006)

In the second phase of the work plan, the engaged consultant(s) will collect and analyze the data identified in Phase I.

1. Collect and assimilate internal Georgia data

Collect and assimilate external data ensuring that the data is comparable to the internal data obtained by Department staff, so that appropriate comparisons can be made between Georgia and the other comparison states

2. Analyze data by service, as applicable, creating comparisons between the experiences of Georgia and other comparison states

Phase II: Data Collection & Analysis

(July 2006-Sept 2006)

At the conclusion of Phase II, the sub-committees and the consultant(s) will have developed and finalized the following work products.

- Overview and detailed data analysis and comparison by service, as appropriate, including, for example:
  - Utilization trends
  - Economic trends
  - Payment & reimbursement data
  - Supply and distribution data
  - Quality Indicators
  - Provider workforce trends
  - Provider financial status & trends

Phase III: Strategy & Policy Development
(Sept 2006-Nov 2006)

In the third phase of the work plan, sub-committees will develop strategies and policy options taking into account the data collected and analyzed in Phase II. Each sub-committee will make final recommendations on the policy options.

1. Develop policy options and strategic recommendations
2. Present relevant data analysis and policy options/strategic recommendations to each sub-committee
3. Compose draft report by service and by sub-committee and include all proposed options and policies, identifying the proposed recommendation of the appropriate sub-committee

→ Recommend additional options not considered and make final recommendations of options which should be supported by the full commission

Phase III: Strategy & Policy Development
(Sept 2006-Nov 2006)

At the conclusion of Phase III, each sub-committee will have developed and finalized the following work products.

- Proposed options, including regulatory and legislative modifications as appropriate, by service
- Recommendations for legislative and regulatory action
- Draft Report by service

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Phase IV: Recommend & Report

(Interim-Dec 2006; Final June 2007)

In the final phase of the work plan, each sub-committee will recommend final recommendations regarding the proposed strategies and policy options developed in Phase III, the Commission will adopt these recommendation, and with the assistance of Department staff, a final report will be developed.

1. Present sub-committee recommendations of strategies and policy options, as well as draft proposed legislation to the Commission → Adopt or modify sub-committee recommendations and/or propose additional recommendations
2. Develop interim/final report, incorporating all recommendations as well as draft legislation
3. Present interim/final report to Commission → Review and approve interim/final report
4. Create work plan for modifying regulations pursuant to final recommendations

Phase IV: Recommend & Report

(Interim-Dec 2006; Final June 2007)

At the conclusion of Phase III, the ultimate outcome of the project will be a final report including draft legislative changes and detailed recommendations regarding changes to Departmental regulations.

Contents of Final Report

- By Service
  - Overview and Definition
  - Supply & Distribution
  - Utilization Trends
  - Reimbursement and Costs
  - Quality Indicators
  - Government Oversight
  - Current Regulations
  - Comparison to Other States
  - Strategies and Policy Options
  - Recommendations
- Legal & Regulatory Issues (by Issue)
  - Overview of Issue
  - Current Statutory Requirements
  - Comparison to Other States
  - Strategies and Policy Options
  - Recommendations
  - Recommendations for Legislative and Regulatory Modification

Next Steps

- Assign members to sub-committees
- Release RFP for response by June 1
- Selection of Consultant by June 19
- Consultant begins work by July 1
- Select 2 CON Experience Presenters (1 Pro; 1 Con) for the next Commission meeting

Questions