



SENATE HEALTH AND HUMAN SERVICES COMMITTEE

February 4, 2020

SB 519 – Relative to Special Health Care Service Licenses

Testimony

Good afternoon, Mr. Chairman and members of the committee. My name is Steve Ahnen, president of the New Hampshire Hospital Association (NHHA), and I am here representing all 26 of our state's community hospitals as well as all specialty hospitals.

NHHA is in strong support of SB 519 and we appreciate Senator Bradley for his leadership in sponsoring this bill following the work of the study committee over the Summer that was the outgrowth of SB 97 in the last legislative session. I also want to thank you, Mr. Chairman, as a member of that study committee, for your efforts to resolve what has been an ongoing challenge for our members, but the Department as well as they have sought to implement the provisions enacted into law in 2016 by SB 481. As you know that bill dealt with several key aspects of health policy when New Hampshire's certificate of need (CON) statute sunset on June 30, 2016. That bill focused on three key areas:

1. A requirement for a special health care service license for the provision of high intensity, complex services, including open heart surgery, cardiac catheterization, and megavoltage radiation therapy;
2. Licensing requirements for any new hospital; and
3. A notification and review provision to ensure that any new licensed facility that sought to open within 15 miles of a Critical Access Hospital would not have a negative material adverse impact on the ability of that hospital to serve its community given the fragile financial circumstances and environment in rural areas of New Hampshire.

The Legislature recognized the important role that Critical Access Hospitals (CAH) play in their community and the overall health care infrastructure in rural communities, and sought to ensure that while competition would be increased with the removal of the CON statute and requirements, it would not harm their ability to serve the patients and communities who depend on them for important health care services. Despite our best intentions, it's safe to say that implementation of the notification and review provisions have been extremely challenging for all sides. But, after considerable work by this study committee, the Department, key

stakeholders and significant compromise, I believe we have found a reasonable solution that is worthy of the Committee's support.

The health care environment is one of the most challenging in our economy, but that challenge grows exponentially when looked at through the prism of a rural community and that of a Critical Access Hospital. One half of New Hampshire's community hospitals fall into the category of a Critical Access Hospital, a federal designation that requires that they be located in rural communities, have no more than 25 inpatient beds or less, and have an average length of stay of less than 96 hours. They are a vital link to their community. They provide public health resources, serve as emergency centers to all in times of need, and are the anchor for other health care services in their communities.

As I have noted, the health care environment is changing rapidly, and hospitals are not immune to that or shying away from those new dynamics. Hospitals across the state are working collaboratively with others to build a system that ensures patients are able to get the right care, at the right time, in the right place.

But it's important to remember that the Legislature, in passage of SB 481 back in 2016, recognized the special role of Critical Access Hospitals and the need to provide for a review of new facilities within 15 miles of their campus to ensure that it did not have a negative financial consequence on their ability to provide for their patients and the communities they serve.

SB 519 makes a number of important changes to the process for any new entity that seeks to obtain a license to operate a facility within 15-miles of a CAH by requiring that the review process is done in advance, before a new business spends hundreds of thousands of dollars, if not more, on a new operation only to have to determine after the fact whether they will be approved by the Commissioner.

SB 519 also makes several important changes to how these reviews will be conducted by an outside expert and modifies important definitions and standards by which that review will be considered. These changes were arrived at after lengthy discussion and effort by the study committee, the Department and key stakeholders. We all comprised in order to arrive at this juncture. It may not be exactly as we or other stakeholders might have initially written it, but I do believe that we came to a good agreement that will provide greater predictability for all parties in the future.

Again, Mr. Chairman, I want to thank you, Senator Bradley, other members of the study committee, the Department and all of the stakeholders who actively participated in this process.

Thank you for the opportunity to testify and provide our comments on this important legislation. I would be happy to respond to any questions or comments you might have.