



**SENATE EXECUTIVE DEPARTMENTS AND ADMINISTRATION COMMITTEE**

**March 13, 2019**

**SB 97 – Relative to Licensure of Health Facilities Near a Critical Access Hospital**

**Testimony**

Good morning, Madam Chair 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 97 and we appreciate Senator Bradley for his leadership in sponsoring this bill, as well as our work with the Commissioner and his staff to develop an amendment that would clarify the bill and ensure that the Commissioner is able to carry out 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 assertions that SB 97 is seeking to create some new statutory authority to review the development of new health care services in rural communities with Critical Access Hospitals, this bill only seeks to provide clarifying language to guide the Commissioner in the review of these applications.

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. Two of our CAH's recently became a hub in the new "hub and spoke" system for providing services to patients suffering from an opioid use disorder.

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 97 simply seeks to provide clarifying language to help ensure the Commissioner can carry out the provisions of the law requiring a review of those facilities before a license can be granted.

And I would like to comment on one last change that was recommended in the bill that deals with the granting of a special health care service license for open heart, cardiac catheterization, or megavoltage radiation therapy. That modification is designed to ensure that New Hampshire is holding any new programs to the same high level of quality, staffing and service as existing programs, but also that we clarify that these regulations apply to existing programs. It is important that we have one standard of care and review. The minor changes proposed in SB 97 are designed to do just that.

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.