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MEMORANDUM

TO: All Members

FROM: Patrick Cucinelli, Senior Financial Policy Analyst

DATE: August 12, 2009

SUBJECT: NY State Electronic CON Project

ROUTE TO: Administrator, CFO

ABSTRACT: NYAHSA participates in electronic CON project.

Introduction

The Department of Health (DOH) has initiated a project entitled: the New York State Electronic Certificate of Need System (NYSE-CON). This project is intended to address issues related to improving the efficiency, transparency, and timeliness of the CON process. Specifically, the project seeks to streamline the process, reduce the flow of paper, improve access to information about the CON process, support local health planning and improve work flow through the creation of an internet-based electronic CON application.

NYAHSA Participation

NYAHSA participated in the initial long term care provider meeting of the project. In addition to NYAHSA staff, the following individuals represented NYAHSA membership at the meeting:

Jay Gormley
Corporate Director of Planning & Research
Metropolitan Jewish Health System

David Howells
Director of Planning
Northeast Health

NYAHSA wishes to thank David and Jay for their participation, insights, and support.

Initial Meeting

NYSE-CON has already been in process for approximately a year. During this time, DOH has been laying the groundwork for bringing this project to the provider community for our input and recommendations.

The initial long term care sector meeting on July 27th was a brainstorming session in which the facilitator sought to elicit provider ideas on how the process can be improved. Our member input was critical, as both Jay and David have extensive experience in working with CONs.

Although “electronic” is in the title of the project, its scope goes well beyond developing a Web-based application. The discussion delved into considerable detail on almost every aspect of the CON process. For example, there was detailed discussion around streamlining the process by removing projects from CON review that are considered “no-brainers” (e.g. a facility is in critical need of a new roof or boiler). In these cases there could be levels of “default acceptance” and a “rebuttable presumption” of approval.

The group explored the idea of specialized approval pathways based on provider type. This concept would recognize that the capital needs of a home care agency, for instance, are different from those of an institutional provider. Specialized applications for different providers could be appropriate and help streamline the process. Should simple service expansion be treated differently from a project requiring capital investment?

Again, using the home care example, there was discussion of the possibility of a simplified approval process for an existing provider, in good standing with DOH, to expand service in the face of a clearly defined need in the established service area. The premise being that this would make the system more responsive to consumer needs. On the other hand, the point was raised that this could set up a barrier to new providers entering a market.

There was discussion over how projects should be prioritized, focused mainly on first-in-first-out versus project dollar amount. The general consensus was that FIFO is the fairest means. Providers expressed some frustration over the perception that sometimes certain projects are advanced ahead of others, with no apparent public health exigency. There was also concern raised over the perception that politics may play a role in the process.

There was a general consensus that DOH staff is very efficient, professional and responsive to provider needs and requests. A searchable Web site, however, was cited as a needed resource, along with a mechanism to track the progress of an application on-line. More guidance was also requested on parameters for writing narratives.

It is clear that the process within DOH is divided up among silos, with each step in the approval process separate and distinct from the others. Breaking down these silos may help streamline the process. In this regard the group discussed the concept of a CON “conciierge” to coordinate an application through the various review stages and communicate with the provider.

The group also asked that DOH explore the possibility of not requiring the provider to submit information that is already in a DOH data base, for example, cost report data, character and competency background information and financial statements. The group also hopes that an electronic submission will preclude the need to make and send multiple copies of an application.

Special consideration should be given to expediting technology projects given new funding options and rapidly evolving applications. Along these same lines, the CON process needs to be more responsive to changing models of care. Consumer demand in long-term care is clearly changing and the future CON process needs to be flexible enough to evolve as well.

Some attendees suggested the need for more data transparency. The example of interactive maps on the Web site with service penetration and market need along specific service lines was discussed.

The need for more de-centralized decision making, along the lines of the old Health Systems Agency (HSA) model was a major topic. While it is unlikely that a statewide system of HSAs would be re-constituted, there was a consensus among the group that more decision-making should be focused at the local level, with the State Hospital Review and Planning Council then providing the final review. The use of regional DOH offices in this concept was considered

Conclusion

One of the fundamental questions asked as part of this brainstorming session was: “Should there be a CON process at all?” The consensus of the group was that some sort of central planning to coordinate the provision of health care services to the citizens of New York remains critical. There was also general agreement that the current process functions well. Improvements to the system should build on the basic framework that is already in place.

Again, this was a brainstorming session, with a wide variety of ideas and opinions expressed. For example, in contrast to the general consensus there was opinion expressed that the CON process should be eliminated. There is no guarantee that any of one idea will make it into the final project design, and this memo is merely trying to encapsulate some of the main themes of the day-long meeting. DOH expects that this stakeholder input phase of the project will continue for several months, and additional meetings are likely. NYAHSA will continue to be involved and update our members on major developments.

Please contact me with any questions or comments at pcucinelli@nyahsa.org or call 518-449-2707 ext. 145.