



November 20, 2008

WV HEALTH CARE
AUTHORITY

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RECEIVED

Sonia D. Chambers, Chair
West Virginia Health Care Authority
100 Dee Drive
Charleston, West Virginia 25311

Re: Certificate of Need for Long Term Care Nursing Facilities

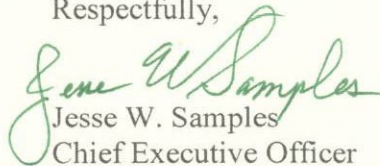
Dear Ms. Chambers:

On behalf of the West Virginia Health Care Association, I am enclosing a position on the certificate of need (CON) program for long term care nursing facilities. This is a follow up to the hearing held at the West Virginia Health Care Authority on October 22, 2008.

While we support CON, we also hope that some of our suggestions will be given consideration in any proposed changes to legislation and/or regulations. We would be happy to work with you and your staff as appropriate.

Please feel free to contact me at your convenience at 346-4575 or email at jsamples@wvhca.org if you have any questions. Thank you for your time and consideration.

Respectfully,


Jesse W. Samples
Chief Executive Officer

cc: WVHCA Board of Directors

Position: The West Virginia Health Care Association advocates, with adjustment, the continuation of the Certificate of Need program for long term care facilities in West Virginia.

Certificate of Need (CON) has been in existence in West Virginia since 1977 to control health care costs, improve the quality and efficiency of the health care system and to encourage collaboration in development of a health care delivery system that makes health services available to all residents of the state. All of the 36 states and the District of Columbia that have CON programs utilize it for long term care facilities – in some states, long term care is the only program covered.

Proponents of elimination of CON believe that a truly open health care marketplace will result in price-based competition that will result in a substantial decrease of health care costs in West Virginia. In long term care, it is the same CON process that levels the playing field between the large regional/national chains and the independent facility. Removal of CON in long term care could lead to the extinction of the small, independent owner which could result in the removal of the limited competition that currently exists in the market.

The nursing home portion of the long term care market is already restricted by Medicaid reimbursement which accounts for approximately 76% of the beds in this state. Only by reducing the Medicaid roles and increasing the number of residents utilizing private pay/insurance could an actual, competitive open market exist. Should this statistic ever invert, then a new review of the need for CON would be warranted and the current protections afforded the small business owner may be obsolete.

This said, there are still considerations that can be made today.

West Virginia has had a moratorium in place on nursing home bed construction since 1988. The West Virginia Health Care Association recommends the creation of a system or need methodology for those areas that can demonstrate a demand for services. The current diversity of services and makeup of today's residents (demographic) does not fit into the existing need methodology. To meet the future demand without creating excess bed capacity, facilities should be allowed to incrementally increase their number of licensed beds. In order to meet community demands, only facilities with high, sustained levels of occupancy should have the opportunity to increase beds.

Consideration should also be given to facilitating adequate construction for the allocation of said beds. It is also our recommendation that an expedited process be adopted for renovation of existing structures - many of which are over 30 years old - or for replacement facilities as necessary. Construction consideration could also provide for future expansion of services such as Alzheimer's units, traumatic brain injury units, ventilator beds and adult day care services, all of which are programs of growing demand by health care consumers.