

Email delivery

December 5, 2008

West Virginia Health Care Authority
Dayle Stepp, Director, Certificate of Need
100 Dee Drive
Charleston WV 25311

Re: Comments on Standards related to:

- 65CSR17 Health Services Offered by Health Professionals, and,
- WV Code 16-2D-4 Exemptions from Certificate of Need Programs

Dear Mr. Stepp:

These comments are follow-up to discussions occurring on November 20, 2008.

As an insurer and third party administrator of health benefits for West Virginia residents and employers, Mountain State BlueCross BlueShield (MSBCBS) appreciates the opportunity to furnish comments related to the Code and regulations applied to the development and oversight of health services proposed by health professionals which are therefore subject to certificate of need review.

Please understand that we support the Certificate of Need (CON) process and the critical function identifying unmet need imbedded in the CON logic. We also support each CON guideline intended to avoid the development of services exceeding the population of patients available to fiscally support them. We strongly believe over supply of services leads to excess cost and questionable quality in the healthcare delivery. Unfunded health care development leads to higher cost for care and over utilization. This translates to increased employer or health plan funding requirements, often resulting in additional transfer of premium or cost sharing obligations to employees/retirees/plan participants.


While some may tout hospital alternatives as 'cheaper' or more convenient, it is important to maintain CON and other standards for creation, expansion and *oversight* of services which may compete with services provided by local facilities, thereby diverting funding from that crucial community resource. We believe alternative ventures often are designed or subsequently deployed to siphon patients and funding from facility profit centers that traditionally cross-subsidized care for the uninsured, Medicaid patients or a facility's unprofitable services.

Regular reporting of ownership/financial interest and utilization in are crucial. We feel that regular review of 'records' (as defined by the WV Code) for ambulatory care facilities and other alternative organizational forms subject to CON review is essential to developing and maintain a clear vision of public need, resource utilization and quality initiatives envisioned by the State Health Plan. Regular reporting, similar to that required of hospitals, should be required of all HCA regulated providers and 'related organizations' to facilitate cost management, utilization review and quality assurance efforts.

Thank you for allowing these comments.

We will be available for future discussion of these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "E. R. Hamilton". The signature is written in a cursive style with a prominent loop at the end of the last name.

Edward R Hamilton CLU PAHM
Director, Special Projects