

CERTIFICATE OF NEED TASK FORCE

Minutes of the 5th Meeting of the 2023 Interim

October 19, 2023

Call to Order and Roll Call

The fifth meeting of the Certificate of Need Task Force was held on October 19, 2023, at 11:00 AM in Room 171 of the Capitol Annex. Senator Donald Douglas, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Russell Webber Co-Chair; Senator Donald Douglas Co-Chair; Senators Karen Berg, David P. Givens, Stephen Meredith, and John Schickel; Representatives Lindsey Burke, and Marianne Proctor.

Guests: Representative Marianne Proctor; Dr. Mark Schroer; Carol Dwyer, RN; Jim Duke, Vice President, Kentucky Ambulance Providers Association; Allana Oak, DO, Lead Physician, Laborist Group, Director, Family Medicine Obstetric Fellowship, Co-Site Director, MS3, OB/GYN Clerkship, University of Kentucky, College of Medicine, Northern Kentucky Campus; Dr. Aaron Crum, Chief Marketing Officer, Pikeville Regional Medical Center; Russ Ranallo, Chief Financial Officer, Owensboro Health; and Nancy Galvagni, President, Kentucky Hospital Association.

LRC Staff: DeeAnn Wenk, CSA, Logan Bush, and Becky Lancaster.

Approval of Minutes

A motion to approve the minutes of the September 18, 2023, meeting was made by Representative Webber, seconded by Representative Burke, and approved by voice vote.

Effects of Certificate of Need on Healthcare Workers

Representative Marianne Proctor discussed the goals not reached by certificate of need, the federal groups that support the repeal of certificate of need repeal, the and negative impact of certificate of need on rural and urban hospitals, the need for more healthcare facilities, and related legislation in other states.

Dr. Mark Schroer discussed the benefits of repealing certificate of need, the need for data driven health policy, and the need to deliver better healthcare in rural areas.

Carol Dwyer, RN, discussed her employment experience as a registered nurse working in various hospitals, her personal experiences, and difficulties as a caregiver to her husband and mother including dealing with multiple hospitals due to certificate of need.

In response to questions and comments from Senator Schickel, Dr. Shroer stated that he had issues with his own non-compete clause in 2004 and practiced out-of-state until 2008.

In response to questions and comments from Senator Berg, Dr. Shroer stated that his non-compete clause did not relate to the certificate of need laws but was a barrier to healthcare.

Ambulance Providers and Certificate of Need

Jim Duke, Vice President, Kentucky Ambulance Providers Association, discussed the delivery of local emergency medical services (EMS), the cost of readiness for EMS providers, how the change of the certificate of need process would negatively impact local EMS providers, and the partnership between local governments and local EMS providers.

In response to questions and comments from Senator Meredith, Mr. Duke stated that his EMS providers service Ohio County with six ambulances and 32 people, EMS providers may travel up to 40 minutes across Ohio County on emergency response, there are approximately 4,000 EMS runs in the county per year, and that there are difficulties with staff retention.

In response to questions and comments from Representative Proctor, Mr. Duke stated that there are very few states that regulate ambulance services with a certificate of need and that there are many ambulance services are close to closure.

Birthing Centers Concerns

Nancy Galvagni, President, Kentucky Hospital Association, discussed the study completed by Ascendient on the effects of Kentucky's certificate of need program on

healthcare services versus states without certificate of need laws, including the lower net price per inpatient discharge, a lower life expectancy rate, and a reduction of healthcare services in rural areas. She discussed the specific impacts to Kentucky healthcare if certificate of need laws are repealed.

Russ Ranallo, Chief Financial Officer, Owensboro Health, discussed the 2007 Pennsylvania Health Care Cost Containment Council study after a repeal of certificate of need laws. Pennsylvania's total and operating margins, the study compared the number of facility types, cost shifting by payors comparisons, the increased charge levels, and charges billed to patients prior to and after the certificate of need law repeal.

Dr. Aaron Crum, Chief Marketing Officer, Pikeville Regional Medical Center, discussed the removal of free-standing birth centers from the certificate of need laws, the aspect of maternal choice for delivery, the safeguards provided by the certificate of need laws, the lack of availability to transport patients in rural areas, and the financial aspect of malpractice insurance and staffing challenges that hinder financial gain for hospitals.

Allana Oak, DO, Lead Physician, Laborist Group, Director, Family Medicine, Obstetric Fellowship, Co-Site Director, MS3, OB/GYN Clerkship, University of Kentucky, College of Medicine, Northern Kentucky Campus, discussed her experiences with out-of-hospital delivery patients, and various recommendations for birthing centers to be included in new legislation.

In response to questions and comments from Representative Proctor, Dr. Crum stated that the present certificate of need laws for free-standing birthing centers ensure safety and that if free-standing birthing centers are removed from the certificate of need process there needs to be specific requirements.

Adjournment

There being no further business, the meeting was adjourned at 12:33 PM.