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## HOUSE JOINT RESOLUTION NO. 600

Offered January 23, 1995

*Requesting the Secretary of Health and Human Resources to study the medical facilities certificates of public need program.*

Patrons—Rhodes, Armstrong, Barlow, Cantor, Fisher, Hamilton, Jones, D.C., Nelms, Orrock, Purkey, Reid, Spruill and Wardrup

Referred to Committee on Rules

WHEREAS, for many years, Virginia has operated a certificates of public need program, a system for limiting construction of medical facilities and purchase of capital equipment; and

WHEREAS, the purpose of the certificates of public need program has been, historically, to prevent redundant and duplicative building and provision of health care services; and

WHEREAS, the rationale on which this program was founded relates to the increase in costs of health care; and

WHEREAS, the certificate of public need program has received much attention over the years, becoming more stringent during certain periods and less onerous during others; and

WHEREAS, the limitations on free enterprise placed on the health care industry by the certificate of public need program are anathema to the American spirit; however, health care services are, most frequently, not paid for directly by the individual, but reimbursed by a third party payor; and

WHEREAS, the tax dollars necessary to pay for the ever increasing cost of Medicaid at the state level and Medicare at the national level have become a burden that our children and grandchildren may be shouldering; and

WHEREAS, nursing homes, still the most common form of long-term care, are supported with public funds in most instances; and

WHEREAS, the present moratorium on nursing home construction provided in the certificates of public need program has prevented the construction of many nursing facility beds and, in the opinion of many experts, the increased cost attendant upon institutional placement of increasing numbers of medical assistance patients; and

WHEREAS, over the past several years, increasing numbers of exceptions to the moratorium have been legislatively established through amendments carefully crafted to apply to only one institutional project; and

WHEREAS, although these projects are always worthy, there is a possible unfairness to authorizing construction of a few facilities in preference to other facilities; and

WHEREAS, the moratorium does not represent the only issue in certificate of public need, with hospitals that wish to relocate being denied applications and magnetic resonance imaging facilities unable to replace equipment; and

WHEREAS, it appears to be true that the COPN program saves the Commonwealth money; however, there are many complex issues and difficult situations involved in the operations of this program; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Secretary of Health and Human Resources be requested to study the medical facilities certificates of public need program. In evaluating this program, the Secretary is requested to study the implications and effects of the application of the law on the accessibility, affordability, and quality of health care and the options for providing equitable treatment of all providers and developers. The Secretary is further requested to make recommendations on adjustments and improvements in the program which will allow the public tax dollar savings to continue while supporting patient needs and individual investments.

The Secretary shall complete her work in time to submit her findings and recommendations to the Governor and the 1996 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for processing legislative documents.

INTRODUCED

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