

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 424
Finance

(Senator Della, *et al.*)

Hospitals - Certificate of Need - Open Heart Surgery

This bill requires the Maryland Health Care Commission (MHCC) to grant a certificate of need (CON) for open heart surgery to a hospital that (1) has participated in a cardiovascular patient outcomes research trial; (2) has diagnosed or treated at least 500 patients within the preceding 12 months who have received interventional cardiac procedures or have been transported or referred from the hospital to hospitals with open heart surgery programs for interventional cardiac procedures; and (3) demonstrates clinical and resource capacity for an open heart surgery program.

MHCC must adopt regulations to carry out the provisions of the bill, including establishing the application process for hospitals.

Fiscal Summary

State Effect: The adoption of regulations could be handled by MHCC with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: A CON is the primary method for implementing the State Health Plan and is generally required for capital expenditures, additions, or modifications to existing facilities or services, and new services. The basis for approval of a CON is need, as determined in the State Health Plan.

All hospitals in Maryland must be licensed by the Department of Health and Mental Hygiene. To qualify for licensure, a hospital must have a CON. Hospitals that are accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) are deemed to have met the State’s standards for licensure.

Background: The CON process, employed in most states, is a cost-containment regulatory method that began in the early 1970s. CONs prohibit capital expenditures by hospitals and other health care institutions unless a governmental agency finds a need for the new health care services to be offered. Beginning in the 1980s, some states eliminated CON programs, while others modified the programs and continue to use them in combination with other regulatory programs. Overall, 27 states and the District of Columbia regulate cardiovascular services through a CON process.

In its January 2001 report, *An Analysis and Evaluation of Certificate of Need Regulation in Maryland: Phase I, Final Report to the General Assembly*, MHCC recommended that Maryland maintain existing CON regulation for cardiac surgery services citing that the CON program protects against the establishment of cardiac surgery programs with low volumes and ensures that highly specialized resources and personnel are allocated to appropriately meet community needs.

There are nine hospitals in Maryland that have a CON to provide open heart surgery services. Treatment of patients with heart disease ranges from medical therapy and using drugs to interventional cardiology and cardiac surgery.

Specialized cardiovascular services to diagnose and treat heart disease are a major component of the acute care hospital system in Maryland (see **Exhibit 1**).

Exhibit 1

| Region | Licensed Acute Care Hospitals | Diagnostic Catheterization/ OHS/Angioplasty | Diagnostic Catheterization/ C-PORT Study | Diagnostic Catheterization Only | Hospitals Providing Cardiac Care |
|---------------|-------------------------------|---|--|---------------------------------|----------------------------------|
| Western MD | 5 | 1 | 0 | 3 | 4 |
| Metro DC | 13 | 2 | 4 | 2 | 8 |
| Metro Balto. | 22 | 5 | 4 | 9 | 18 |
| Eastern Shore | 7 | 1 | 1 | 1 | 3 |
| MD Total | 47 | 9 | 9 | 15 | 33 |

Source: State Health Plan, updated by Maryland Health Care Commission

Five hospitals that offer open heart surgery are located in the Metro Baltimore region: Johns Hopkins, St. Joseph, Sinai, Union Memorial, and University Hospital. In the Metropolitan Washington area, two hospitals provide open heart surgery: Prince George's and Washington Adventist. Peninsula Regional Medical Center in Salisbury provides open heart surgery on the Eastern Shore and Sacred Heart Hospital in Cumberland opened an open heart surgery program in Western Maryland in 2000. In late 2002, an additional hospital, Suburban Hospital in Bethesda, received a CON to provide open heart surgery. MHCC has emphasized minimum volume thresholds associated with optimal health outcomes and cost efficiency in awarding CONs for open heart surgery.

The large majority of angioplasty procedures are performed as elective procedures. The State Health Plan requires that hospitals performing elective coronary angioplasty have on-site cardiac surgical backup. This policy reflects American College of Cardiology and American Heart Association guidelines.

Nine Maryland hospitals with cardiac catheterization laboratories but without cardiac surgery services are currently providing primary angioplasty services as participants in the Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT) study. MHCC is using data from the C-PORT project to review and update planning policies governing the co-location of coronary angioplasty with cardiac surgery services. This review is being conducted with the assistance of MHCC's Advisory Committee on Outcome Assessment in Cardiovascular Care, composed of representatives from Maryland cardiac care programs as well as individuals with regional or national expertise in the collection and analysis of cardiac care data.

Additional Information

Prior Introductions: A similar bill, HB 909, was introduced in the 2002 session but was reported unfavorably by the House Environmental Matters Committee.

Cross File: HB 828 (Delegate Donoghue, *et al.*) – Health and Government Operations.

Information Source(s): Department of Health and Mental Hygiene (Maryland Health Care Commission, Office of Health Care Quality), Department of Legislative Services

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