

CON Trends in America: A Panorama of Change

interview by AHPA Today in Health Planning (TIHP) with Thomas R. Piper

TIHP: In Missouri, there has been a strong effort to remove acute care services from CON regulation, but keep long term care under CON regulation. Do you see a similar trend nationwide?

PIPER: The trends seem to divide the health care system into three parts based on people's perspectives about regulation. Acute care is the one part that hospitals are most anxious to sunset since, according to them, managed care will drive down costs so that supply-side regulation is no longer needed.

As to the second part, we see the long term care industry in many states carefully guarding regulation of that industry because of an oversupply of beds resulting in under-utilization. In Missouri, we've seen utilization drop over the past year to 84 percent of actual available beds. Beds which are not available include those which are being used for physical therapy, storage, administrative purposes, or private use of semi-private rooms.

The third part concerns what to do with high technology. Many people believe that the introduction of emerging technology into the health care system needs to be carefully controlled. I think excimer lasers probably represent one of the latest examples of rapid technology expansion without a public reimbursement system and virtually without control. Many of these lasers are now in place, but we still are not sure whether they have a positive effect. One would assume that regulation of CT is almost history, but lithotripsy, gamma knives, positron emission tomography and MRI are various technologies that probably still need to retain some state oversight. Along with many other competing techniques, they have yet to prove themselves, particularly in comparison with other technologies.

There is a key issue here which raises the question of what the state's role and the community's role should be in the provision of health care. This is

the wrong question to ask. Instead, one needs to ask, how can CON be improved to reflect and accommodate the public's new role? The state has always had the responsibility to protect and promote the safety and security of its residents. The state monitors food, water and commerce. Should it have no less concern for adequacy of

the public's health care? Many providers now claim that the more managed care you have, the less regulation you need. A promise was made just a few years ago by managed care that it would do three positive things for the public:

- 1) Reduce costs;
- 2) Increase quality; and
- 3) Improve access.

This goal has long been shared by the public. Who has not always wanted the best services at the lowest cost at the closest location? Now we must ask who's monitoring the health care system in order to make sure that promise is being kept? That is the future role of state and community involvement. We should monitor quality, cost and access, then report the findings back to the public.

TIHP: How would this change CON?

PIPER: We have some very skilled people who are veterans in monitoring and planning the health care system. We should redirect their efforts in each state and locality to these new activities. Maybe it's even time to rename CON to reflect its new future. Perhaps we should call it "Strategic Health Planning" as they do in other businesses.

TIHP: Should AHPA continue collecting health planning data particularly about states where CON has ended?

PIPER: Definitely. We have traditionally collected the information even though our resources are somewhat limited in the ability to analyze and distribute the data once it is collected. A good example is our AHPA Resource Library where we have collected a lot of information about regulation and planning in various states. With our emerging emphasis on technology, and perhaps through our new Internet home page and other electronic means, we should be able to catalog, evaluate and redistribute information. We are currently looking for financial backing to complete this effort.

TIHP: Does AHPA have a presence on the Internet?

PIPER: We have just completed our new home page. We encourage people to visit it, let us know what they think of it and how they would like to be able to use that resource. Using any Web browser, contact <<http://www.ahpanet.org>>.

TIHP: If a health planning document from another state is needed, who do we contact?

PIPER: Our principal resources are our National Directory and our Resource Library. This information is available to all AHPA members; just call us at (703) 573-3103 or e-mail <tpiper@mail.state.mo.us>. Nonmembers may contact us about various rates and availability.

TIHP: Is AHPA currently working on any other publications?

PIPER: Several others are under development. The real backbone of AHPA is its effort to promote community health planning. Planning takes many forms, some of which have to do with community needs assessment, while others develop criteria and standards for regulatory programs. In Missouri we have a community planning process called CHART (Community Health Assessment and Resource Team) who has worked with many individual communities to determine what their needs are and how they can be addressed.

First and foremost, AHPA stands for development of a health plan. Unfortunately, health

planning has been discontinued in many places as a state-wide or community priority. There are very few states that actually have a current state health plan which sets a health policy and specific guidelines on what health resource systems and services ought to be. This should be the guiding light for anyone. As we talk about the future role of CON, the development of a health plan ought to be one of the chief interests that we have.

In fact, I recently reviewed an article by DeLoite & Touche in the 1997 Environmental Assessment. They advised hospitals on how to prepare for the millennium. and described six strategic initiatives for health planning. These probably apply as much to what we are doing as to hospitals or to any other health entity:

- 1) Be more than a hospital, more than a hospital company (we can say this for many providers);
- 2) Create and be able to demonstrate value (this is directly tied to cost and quality);
- 3) Insist on community focus (the focus of our health planning effort is to help a community articulate its needs and be able to respond to new services that are being provided to them);
- 4) Be driven by customer needs and expectations (responsive to the patient);
- 5) Participate and redesign the public finance system (managed care is having an impact, but it also is creating problems that we are beginning to see emerging in different states); and
- 6) Maintain flexibility and welcome any continuing change (none of us really likes change, but it is coming and we need to make sure the change is a positive one).

TIHP: Where do you see AHPA 10 years from now?

PIPER: I see AHPA expanding its role as a national health information center. It should be a place to get questions answered and to get training on how to be a better planner. Whether that has to do with community needs assessment or review techniques or assessing the impact of managed care, we need to be in a position to help planners develop their skills. Equally important is to make sure that health planning always has a home to come back to. To sum it all up, as our mission promises, we just keep "Putting It All Together".