

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

**SHPDA
ORIENTATION**



SHPDA AGENCY'S MISSION

**TO PROMOTE ACCESSIBILITY FOR
ALL PEOPLE OF THE STATE TO
QUALITY HEALTHCARE SERVICES AT
REASONABLE COST**



SHPDA RESPONSIBILITIES

- **ADMINISTRATION OF CERTIFICATE OF NEED PROCESS (CON)**
- **HEALTH SERVICES AND FACILITIES PLAN (HSFP)**
- **RESEARCH AND DATA**
- **SPECIAL PROJECTS**



SHPDA

- **1960'S OFFICE OF COMPREHENSIVE HEALTH PLANNING PART OF DOH**
- **1975 SHPDA CREATED AS A SEPARATE STATE AGENCY**
- **PLANNING ACTIVITIES ARE BUILT AROUND COMMUNITY INPUT**



SHPDA

- **SUBAREA HEALTH PLANNING COUNCILS (SACs)**

- **STATEWIDE HEALTH COORDINATING COUNCIL (SHCC)**



SHPDA

SACs & SHCC MEMBERS

- **GOVERNOR APPOINTS MEMBERS TO FOUR YEAR TERMS; REQUIRES SENATE CONFIRMATION**
- **MEMBERS MAY SERVE 2 CONSECUTIVE TERMS OR 8 YEARS TOTAL**
- **MEMBERS REPRESENT CONSUMERS, HEALTHCARE PROVIDERS, BUSINESS, LABOR AND OTHER PROFESSIONALS**



SHPDA

SIX SUBAREA HEALTH PLANNING COUNCILS

- **HAWAII COUNTY SAC**
- **TRI-ISLE SAC**
- **KAUAI COUNTY SAC**
- **WEST OAHU SAC**
- **WINDWARD OAHU SAC**
- **HONOLULU SAC**



SHPDA

SAC RESPONSIBILITIES

- **PROVIDE SPECIFIC RECOMMENDATIONS REGARDING THE HIGHEST PRIORITIES FOR HEALTH SERVICES AND RESOURCE DEVELOPMENT**
- **REVIEW THE HSFP FOR THEIR RESPECTIVE SUBAREA AND MAKE RECOMMENDATIONS**
- **ADVISING SHPDA ON CON APPLICATIONS IN THEIR REGION**



SHPDA

SHCC RESPONSIBILITIES

- **PREPARE AND REVISE THE HEALTH SERVICES AND FACILITIES PLAN**
- **ADVISE THE AGENCY ON HEALTH PLANNING AND DEVELOPMENT ACTIVITIES**
- **REVIEW AND COMMENT ON CON APPLICATIONS**



HEALTH SERVICES AND FACILITIES PLAN (HSFP)

ADDRESSES:

- **CHAPTER 1: INTRODUCTION**
 - Goals of HSFP
 - Hawaii's Current Health Care Environment
 - Key Issues Driving Change in Health Care
 - Health Care Trends
- **CHAPTER 2: UTILIZATION THRESHOLDS**
- **CHAPTER 3: STATEWIDE AND REGIONAL PRIORITIES**



RESEARCH & DATA

BED UTILIZATION

ACUTE CARE, LONG TERM CARE AND SPECIAL BEDS BY FACILITY

- TOTAL APPROVED BEDS
- TOTAL LICENSED BEDS
- TOTAL STAFFED BEDS
- TOTAL INPATIENT DAYS
- TOTAL ADMISSIONS



RESEARCH & DATA RATE MONITORING

- ROOM RATES FOR ACUTE CARE LONG TERM CARE AND SPECIAL TREATMENT BEDS BY FACILITY
- WAITLISTED PATIENTS IN ACUTE CARE BEDS AND LONG TERM CARE BEDS BY FACILITY



RESEARCH & DATA TECHNOLOGY UTILIZATION

- CT
- GENERAL RADIOLOGY
- ULTRASOUND
- NUCLEAR MEDICINE
- ANGIOGRAPHY
- MAMMOGRAPHY
- PET
- LITHOTRIPSY
- GAMMA KNIFE
- RADIATION THERAPY
- MRI



RESEARCH & DATA SERVICE UTILIZATION

- HEMODIALYSIS
- ADULT & PEDS CARDIAC CATH
- PERCUTANEOUS CORONARY INTERVENTION
- ADULT & PEDS OPEN HEART SURGERY
- OPERATING ROOM UTILIZATION



SPECIAL PROJECTS

**THE GOVERNOR AND LEGISLATURE
MAY ASSIGN SHPDA SPECIAL
PROJECTS**

- **WORKED WITH MAUI TASK FORCE**
- **WORKED WITH JABSOM ON
WORKFORCE STUDY**



CERTIFICATE OF NEED

CON HISTORY

- IN 1965 CONGRESS PASSED MEDICARE AS PART OF THE SOCIAL SECURITY ACT
- THIS ACT SERVED AS A CATALYST FOR HOSPITAL EXPANSION
- COST BASED REIMBURSEMENT
- HEALTH CARE EXPENDITURES INCREASED FROM 5.2% TO 7.2% OF GNP
- 38.5% INCREASE IN FIVE YEARS



CERTIFICATE OF NEED CON HISTORY

- **HOSPITALS BEGAN TO OFFER THE LATEST TECHNOLOGY AND SERVICES**
- **SOMETIMES THIS WAS DONE WITHOUT REGARDS FOR ACTUAL COMMUNITY NEED**
- **AS A RESULT CONGRESS WANTED TO GET GREATER CONTROL OVER HEALTHCARE EXPENDITURES**

CERTIFICATE OF NEED

CON HISTORY

- IN 1966 NEW YORK STATE ESTABLISHED A CON LAW AND MARYLAND, RHODE ISLAND AND WASHINGTON, D.C. FOLLOWED
- 1972 CONGRESS ENCOURAGED STATES TO SET UP CON BY DENYING REIMBURSEMENT FOR DEPRECIATION AND INTEREST IF PROJECTS WERE NOT APPROVED BY STATE HEALTH PLANNING AGENCY
- AS A RESULT APPROXIMATELY 50% ESTABLISHED CON PROGRAMS



CERTIFICATE OF NEED

CON HISTORY

- **IN 1974 CONGRESS PASSED THE NATIONAL HEALTH PLANNING AND RESOURCES DEVELOPMENT ACT (NHPRDA) REQUIRING ALL STATES TO ESTABLISH CON PROGRAMS**



CERTIFICATE OF NEED

CON HISTORY

- **1974: ACT 209 CREATED HAWAII'S CON PROCESS**
- **1987: AFTER FEDERAL DEREGULATION, ACT 270 REDEFINED AGENCY'S PURPOSE TO "PROMOTE ACCESSIBILITY FOR ALL THE PEOPLE OF THE STATE TO QUALITY HEALTH CARE SERVICES AT REASONABLE COST."**
- **1987 & 1997: ACT 270 (1987) and ACTS 302 & 336 (1997) STREAMLINED HAWAII'S CON PROCESS**



CERTIFICATE OF NEED CON HISTORY

- **1980'S MEDICARE ADOPTS PROSPECTIVE PAYMENT SYSTEM**
- **1986 NHPRDA EXPIRES**
- **AS A RESULT A NUMBER OF STATES REPEALED OR MODIFIED CON STATUTES**



CERTIFICATE OF NEED

CON CONTROVERSY

- 1986 TO 2008 14 STATES ELIMINATED CON PROCESS
- 2004 FEDERAL TRADE COMMISSION RECOMMENDS THAT STATES CONSIDER REPEALING CON LAWS
- RISE OF OUTPATIENT SURGICAL CENTERS AND SPECIALTY HOSPITALS



CERTIFICATE OF NEED

- TODAY 36 STATES & THE DISTRICT OF COLUMBIA HAVE CON PROCESS
- HAWAII RANKS IN THE MIDDLE IN TERMS OF HEALTH CARE SERVICES REGULATED



CERTIFICATE OF NEED

PROCESS

- APPLICATION IS REVIEWED BY SHPDA FOR COMPLETENESS
- APPLICANT WILL BE ASKED TO PROVIDE ADDITIONAL INFORMATION IF REQUIRED.



CERTIFICATE OF NEED

PROCESS

- SAC REVIEWS
- CON REVIEW PANEL REVIEWS
- SHCC REVIEWS
- SHPDA ADMINISTRATOR MAKES DECISION



CERTIFICATE OF NEED

PROCESS

- RELATIONSHIP TO THE HSFP
- NEED AND ACCESSIBILITY
- QUALITY OF SERVICE/CARE
- COST AND FINANCE
- RELATIONSHIP TO EXISTING HEALTHCARE SYSTEM
- AVAILABILITY OF RESOURCES



CERTIFICATE OF NEED

APPEAL PROCESS

- REQUEST THAT DECISION BE REVIEWED BY THE RECONSIDERATION COMMITTEE (MUST MEET CRITERIA TO BE RECONSIDERED)
- APPEAL TO CIRCUIT COURT FOR JUDICIAL REVIEW OF THE DECISION



HEALTH CARE TODAY

HOSPITAL BEDS (2006)

- US: 2.9 BEDS PER 1000
- HAWAII: 2.1 BEDS PER 1000 (-28%)

LTC BEDS

- US: 49 BEDS PER 1000 AGE 65+
- HAWAII: 24 BEDS PER 1000 AGE 65+
(-51%)



HEALTH CARE TODAY

LTC OCCUPANCY

- UNITED STATES: 82.6%
- HAWAII: 93.8%

WAIT LISTED PATIENTS

- HAWAII: 170+ DAILY (2007)



HEALTH CARE TODAY

POPULATION 65+ IN 2005

- UNITED STATES: 12.4%
- HAWAII: 13.7% (+11%)

POPULATION 65+ IN 2020

- UNITED STATES: 16.3% (+31% in 15 yrs)
- HAWAII: 18.7% (+15%) (+36% in 15 yrs)



HEALTH CARE TODAY

PHYSICIANS

- SHORTAGE
- MAL-DISTRIBUTION
- MOST ACUTE ON NEIGHBOR ISLANDS

OTHER ALLIED HEALTH POSITIONS

- SHORTAGE IN VIRTUALLY ALL PROFESSIONS



HEALTH CARE TODAY

REIMBURSEMENT FOR PATIENT SERVICES

- US: 105% OF COST
- HAWAII: 95% OF COST



HEALTH CARE TODAY

ECONOMIC HEALTH OF INDUSTRY

- ACUTE CARE PROVIDERS ARE HAVING NEGATIVE MARGINS FROM OPERATIONS
- LACK OF INVESTMENT IN INFRASTRUCTURE
- LACK OF INVESTMENT IN NEW BEDS
- CARRY MORE LONG TERM DEBT

