

# the Reporter

Illinois Hospital Association



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## **IHA URGES 5-YEAR EXTENSION OF CON**

The Illinois Commission on Government Forecasting and Accountability last week heard testimony on the Certificate of Need (CON) program after receiving a report from The Lewin Group recommending that the program continue. IHA and several members testified in support of a five-year extension of the program.

“The Lewin report was correct in that it suggested that CON should be continued in order to protect access to health care services, particularly for underserved populations,” said Gary Barnett, President and CEO, **Sarah Bush Lincoln Health Center**, Mattoon, and chair of IHA’s Board. “But the importance of CON goes beyond protecting safety net hospitals. CON helps ensure that hospitals like mine, which provide services based on their missions to serve their communities...can continue to meet the health needs of their communities.”

He cited the example of a non-CON state, Kansas, where one city, Wichita, has seen 15 specialty hospitals and centers open since 1999. As a result, there has been a decline in the financial health of the city’s two full-service hospitals, leading to cutbacks in services.

On the issue of cost containment, Peter Murphy, Regional CEO, **Sisters of St. Francis Health Services**, and President, **St. James Hospital and Health Centers**, Olympia Fields and Chicago Heights, pointed to a study by the Big Three Automakers. The study found that health care costs per person were significantly lower in Michigan, a CON state, than in Wisconsin and Indiana, two non-CON states.

Mitch Johnson, Senior Vice President, **Memorial Health System**, Springfield, said that Memorial

and other teaching hospitals, see first hand the importance of maintaining sufficient volumes of patients for procedures such as open heart surgery to maintain quality. He said without CON, there would be unnecessary duplication of specialized services that would reduce patient volumes at teaching facilities.

The written testimony of Barnett, Murphy, and Johnson is on our web site. Several bills have been filed in the General Assembly, including **SB608**, **SB611** and **HB998**, that would extend CON to 2012.

## **REPORT ON RURAL HEALTH**

An upgrade of the Medicaid payment system – to resolve chronic payment issues – is the top recommendation of a legislative Task Force on Rural Health and Medically Underserved Areas. In its report to the General Assembly, the task force says low and slow rates of reimbursement are crippling health care delivery in many areas of the state and discouraging physicians and other providers from entering or maintaining practices in rural and underserved areas.

Other task force recommendations include:

- Increase funding for a wide range of rural health programs and services;
- Earmark funding for mental health service initiatives;
- Increase basic grants for local public health departments to improve and expand core public health programs and services for rural and medically underserved areas;
- Increase telemedicine capabilities, including changing the Medicaid State Plan to allow providers to bill for telemedicine services; and,
- Increase access to specialty and sub-specialty care for underserved populations through

