



DoN Today

Overview

Outdated regulation that has been outpaced by a rapidly evolving healthcare market and does not align with DPH's core mission or state's goals.

Confusing process that relies on outmoded factors, applied in an opaque manner.

Outmoded regulation that specifically seeks to prevent duplication of existing services, regardless of the value of the project or ability to reduce TME.

Burdensome and complex with over 80 pages of regulation, 10 review factors, and confusing layout/drafting.

Looks at projects by facility, often ignoring system, market, and state impacts.

No enforcement or follow up on approved DoNs and whether providers follow through with promised outcomes.

No data-driven distribution of DoN funds, allowing over \$170M since FY06 to-date to be distributed without an evidence-based or codified process approach.

DoN Projects

No delineation of project scopes between new additions, expansions, or conversions and conservation/restoration projects. Requires all DoN projects, regardless of size, to complete the full DoN review.

Requires proposed projects to first go through DoN (4-6 months) before initiating licensure plan review process (additional 3-6 months).

DoN Tomorrow

Overview

Modernized to align with state goals for delivery system and innovation transformation, while realigning reviews to meaningfully reinforce DPH's mission.

Objective and transparent process driven by public health.

Incentivizes Provider Competition on the basis of price, TME, provider costs, and an applicant's successful incorporation of population health strategies.

Simplified and Straightforward with a 50% reduction in regulation, 6 review factors, and significantly streamlined layout/drafting.

Looks at systems of care by requiring the provider organization apply for the DoN.

Conditioned approvals with regular reporting and benchmarking to ensure providers make good on promises.

Supports local adaptations of DPH Health Priorities, aligning Community Benefits processes with DoN, and supporting health systems to successfully take on risk through meaningful, community-level population health management strategies.

DoN Projects

Creates an expedited review process for Conservation Projects that simply restore a building or service to its designated purpose/original functionality or brings the applicant to current national standards.

Allows for DoN and plan review to occur simultaneously, saving facilities significant time and resources.



DoN Today

Equipment

Regulates new and innovative technologies that contribute to cost, but does not take into account whether or not they add value or return on investment to the system (i.e. "are they innovative").

Mergers and Acquisitions

Largely duplicates HPC's Cost and Market Review (CMIR), creating an uncoordinated cross-agency approach that takes up to 12-months, and asks the wrong question by only allowing the PHC to ask *"does this region need a hospital?"*

No enforcement or follow up to ensure holders produce promised outcomes.

Ambulatory Surgery

Moratorium on any new ambulatory surgery projects, regardless of expressed need, ignoring market calls for increased capacity. Does not require CMS certification.

Why This Reform is Needed

DoN has been outpaced by a rapidly evolving healthcare market.

DoN regulations no longer reflect the modern health care market, while adding significant and unnecessary regulatory burdens.

However, DoN represents a significant executive branch tool that can be realigned to advance the state's goals for health care reform.

DoN Tomorrow

Equipment

Will only regulate equipment that represents significant cost drivers, documented to have little or no return on investment.

Mergers and Acquisitions

Significantly simplifies and coordinates cross-agency processes, reducing up to 4-months, while realigning reviews with DPH's mission by asking applicants *"How would this proposed merger impact the public health outcomes of your system's patient panel."*

Conditions approvals with regular reporting and benchmarking to ensure acquiring entities make good on their promises.

Ambulatory Surgery

Limits new sites to HPC-Certified ACOs with grandfathering of existing Freestanding ASC locations, while providing important protections for the Commonwealth's remaining independent community hospitals. Requires CMS certification.

Why This Reform Works

This reform is achievable through existing DoN authorities, maintaining and refocusing a meaningful executive branch tool.

Represents a paradigm shift to a modernized, streamlined, and retooled process that puts public health at its core

Supports the state's health priorities and delivery system transformation goals.