



March 23, 2021

*Wayne A. Smith  
President & CEO*

The Honorable Kyle Evans Gay  
Chair, Joint Legislative Oversight and Sunset  
Committee  
411 Legislative Avenue  
Dover, DE 19901

The Honorable Sherry Dorsey Walker  
Vice-Chair, Joint Legislative Oversight  
and Sunset Committee  
411 Legislative Avenue  
Dover, DE 19901

**RE: Feedback on JLOSC's Recommendations for HRB**

*Alfred I. duPont Hospital  
for Children*

Mark Mumford,  
Executive Vice President  
Chief Executive,  
Nemours Delaware  
Valley Operations

*Bayhealth*

Terry Murphy,  
President & CEO

*Beebe Healthcare*

David A. Tam,  
MD, MBA,  
President & CEO

*ChristianaCare*

Janice E. Nevin,  
MD, MPH  
President & CEO

*TidalHealth Nanticoke*

Penny Short, MSM, BSN,  
RN  
President & CEO

*Saint Francis Healthcare*

Brandon S. Harvath,  
President & COO

*Wilmington Veterans*

*Affairs Medical Center*  
Vincent Kane  
Director

*Delaware Healthcare*

*Association*  
Wayne A. Smith  
President & CEO

Dear Senator Gay and Representative Dorsey Walker,

The Delaware Healthcare Association, on behalf of our member hospitals and health systems, appreciates the recommendations developed by Joint Legislative Oversight and Sunset Committee's (JLOSC) staff on improving the Health Resources Board (HRB). We believe the recommendations are a good starting point to make the Certificate of Public Review (CPR) process more efficient and effective and would like to offer our feedback on these recommendations for consideration.

First, we would like to commend the thorough research and reporting done by the JLOSC staff on Delaware's HRB as well as other states' Certificate of Need processes. We would also like to offer the following comments on the JLOSC staff recommendations as presented on March 18<sup>th</sup>:

1. Continue the HRB – DHA agrees with the JLOSC staff's recommendation to continue the HRB, which serves an important function to foster the cost-effective and efficient use of health-care resources and the availability of and access to high quality and appropriate health-care services.
2. Restructure HRB to an Advisory Board - We support the recommendation to move the HRB to an Advisory Board capacity as a way to make the CPR process more efficient. However, we want to emphasize the need for:
  - a. The Advisory Board to report to the Office of Health Facilities Licensing and Certification. As JLOSC staff note, there is a lot of overlap in program areas between this office and the HRB.
  - b. An appeal process to be allowed for projects that are denied ensuring appropriate checks and balances. This will be very important, particularly if the JLOSC decides to have the Advisory Board report to one person, such as the Secretary of the Department of Health and Social Services.
  - c. Appropriate funding for independent staff or consultants with expertise in health care policy and planning, as they will be conducting research and

reports that will influence the Board and the ultimate decision on CPR projects.

- d. Board membership must consist of those qualified to make decisions on health care facilities, but who are also without specific agenda. We appreciate the recommendation to include a health care economist on the Board but want to make sure that person is not tied to beliefs or organizations that would influence their decision-making.
3. Statute Changes - Due to the major changes that will be needed to the HRB statute to adopt the JLOSC recommendations, we recommend:
    - a. A complete overhaul of the Health Resources Management Plan (HRMP), which builds upon and adds to the statute, to be done through the regulatory process to allow feedback from stakeholders.
    - b. That medical equipment be eliminated from CPR review to further ensure the efficiency of the CPR process and avoid delaying the acquisition of equipment that patients need.
    - c. That the \$5.8 M threshold be adjusted for inflation. It is our understanding it has not been updated for many years despite the fact that the statute stipulates it should be updated annually for inflation.
  4. Utilization Reports – We understand and appreciate the need to have independent data to review as new CPR applications come in. We recommend:
    - a. Allowing the data to come from outside contractors. For example, the Delaware Healthcare Association already collects utilization data for its member hospitals. Partnering with organizations that already conduct utilization reports would reduce burden on hospital stakeholders by alleviating duplication.
    - b. Considering a five-year report as opposed to a biennial report for Recommendation #4, Option #1, as studying each of the areas outlined in this recommendation may take years to complete.
    - c. Engaging hospitals in the data collection process to ensure data is accurate and validated.

Thank you for your consideration of our feedback on the JLOSC's recommendations on improving the HRB. We look forward to continued dialogue as JLOSC develops legislation to implement its recommendations.

Sincerely,



Wayne A. Smith  
President & CEO

CC: Members and staff of the Joint Legislative Oversight & Sunset Committee