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Certificate of Need Information

History of the Program

Florida's health care certificate of need (CON) program currently regulates entry into the marketplace for state-licensed hospitals, nursing homes and hospices. The program was initiated in 1973 by the Nixon administration as a part of the federal health planning system—each state was expected to have a CON program as a condition for obtaining U.S. Public Health Service funds. The CON provision was repealed before nationwide implementation was required, so not every state implemented the program. The program was largely controlled by federal law until 1986 when federal health planning legislation was repealed.

Major reforms to Florida's CON program have occurred since inception, these include: eliminating local Health Systems Agencies, eliminating the need to review capital expenditures, eliminating the need to review the acquisition of major medical equipment, eliminating the need to review home health agencies, deregulating acute care beds in an established hospital, eliminating the need for a CON review for cost overruns and a statewide moratorium on the addition of community nursing home beds in any subdistrict (this moratorium was implemented in 2001 and ended at the start of the fiscal year 2014). These major amendments to the Florida CON program occurred in 1987, 1997, 2000, 2001 and 2007 and are addressed specifically in the timeline below.

CON was originally under the purview of the Florida Department of Health and Rehabilitative Services. This changed in July 1992 with the creation of the Agency for Health Care Administration which assumed responsibility for the program.

The CON program reviews applicable hospital programs twice a year and the decisions are made June and December. Other beds and programs (transplant services, nursing homes and hospices) are reviewed twice a year as well and the decisions are made in February and August. Expedited applications must meet statutory criteria and can be reviewed at any time. The CON program also allows beds to be added to health services by exemption for certain programs (comprehensive medical rehabilitation, neonatal intensive care units, psychiatric/substance abuse services and community nursing home beds) and by notification. In addition, the program publishes four books twice a year on the utilization of the services it reviews and monitors as well as a hospital beds and services book.



Timeline

- 1973 CON is created.
- 1982 Elimination of local Health Systems Agencies in Florida thereby eliminating the function of local CON review.
- 1987 Eliminated obstetric services from CON review.
- 1987 Eliminated CON review for capital expenditure of inpatient projects under \$1,000,000 dollars.
- 1987 Major medical equipment subject to CON review was reclassified as equipment which costs more than \$1,000,000 and which has been approved by the FDA for less than three years.
- 1987 Statutory authority provided CON the authority to levy fines for non-compliance of conditions (these conditions are self-imposed by the applicants during the application process).
- 1987 Excluded outpatient services CON review.
- 1987 Specified tertiary services were now reviewable.
- 1988 A rule promulgated specified a list of tertiary services.
- 1997 Acquisition of medical equipment, regardless of cost, was no longer reviewable.
- 2000 Eliminated CON review for all home health agencies.
- 2000 A CON review was no longer necessary for a proposed increase in up to 10 beds or 10 percent of a hospital's or nursing home's licensed capacity. These could be done by exemption as of July 2000.
- 2000 Cost overruns of approved projects of any kind were eliminated.
- 2001 A moratorium was established on new community nursing home beds. The CON program, and the Agency, was prohibited from approving additional community nursing home beds in any subdistrict. The moratorium was continued in 2006 for another five years and again in 2011 until Medicaid managed care is established for the state.
- 2003 Rural hospitals no longer have to obtain CONs when they meet specific criteria.
- 2007 Eliminated adult cardiac catheterization and adult open heart surgery services from CON review--moved regulation to licensure.
- 2007 Eliminated burn units from CON tertiary services. Licensure allows burn units establishment at this point.
- 2008 Streamlined the approval process for new acute care hospitals.
- 2011 Eliminated the ability to fine community nursing home beds for failure to meet Medicaid conditions
- 2013 Modified requirements to allow deed restricted communities to apply for nursing homes through expedited review.
- 2014 Community nursing home bed moratorium was lifted.

- 2014 The Agency published need for new community nursing home beds for the first time since 1999.
- Now The Unit is preparing for the 2015 first Other Beds and Programs batch and has accepted 59 Letters of Intent (LOIs).

CON Annual Report (Calendar Year 2014)

In 2014, the CON Unit received 18 hospital bed and facilities LOIs and 13 initial applications. Of these applications, one was withdrawn, four were initially denied and eight were initially approved.

The CON Unit received 207 LOIs and 106 initial applications during the other beds and programs batches. Of these applications, three were withdrawn, 67 were initially denied, 33 were initially approved and three were partially approved.

The CON Unit also received 11 expedited applications to review in 2014. Of these, 10 were initially approved. One expedited application was initially denied but later approved by Final Agency Action on 01/28/2015.

Certificate of Need produced ten publications in 2014. These are listed below.

- Florida Hospital Bed Need Projections and Service Utilization by District January 2014 Batching Cycle
- Florida Hospital Bed Need Projections and Service Utilization by District July 2014 Batching Cycle
- Florida Need Projections for: Pediatric Cardiac Catheterization Programs and Pediatric Open Heart Surgery Programs and Utilization Data for: Pediatric and Adult Organ Transplantation Programs January 2014 Planning Horizon
- Florida Need Projections for: Pediatric Cardiac Catheterization Programs and Pediatric Open Heart Surgery Programs and Utilization Data for: Pediatric and Adult Organ Transplantation Programs July 2014 Planning Horizon
- Hospital Beds and Services List January 2014
- Hospital Beds and Services List July 2014
- Florida Nursing Home Utilization by District and Subdistrict, January 2014-December 2014
- Florida Nursing Home Utilization by District and Subdistrict, July 2013-June 2014
- Florida Need Projections for Hospice Programs April 2014, for the July 2015 Hospice Planning Horizon
- Florida Need Projections for Hospice Programs October 2014, for the January 2016 Hospice Planning Horizon

During 2014, the CON Unit received 50 notifications and processed 35 exemption requests.

In 2014, the CON Unit reviewed 696 authorized projects that were operational during calendar year 2013 and have conditions, such as required levels of service to Medicaid, indigent and Baker Act patients.

In addition, the CON Unit's analysts processed nine modification requests (six hospital, one nursing home and two hospice) and 27 extension requests (four hospital, 22 nursing home and one hospice) during calendar year 2014.

In addition, with the full implementation of Statewide Medicaid Managed Care, the community nursing home bed moratorium that had been in place since 2001 was lifted as of July 1, 2014. The CON Unit published need for community nursing home beds on October 3, 2014.