

Certificate of Needs

Representative Lucetta Elmer - HD 24

A background image featuring a stethoscope and a gavel. The stethoscope is on the left, and the gavel is on the right, both resting on a dark surface. The image is dimmed and serves as a backdrop for the text.

Overview

- History of Certificate of Needs (CON) Law
- Oregon's Healthcare Crisis
- Oregon CON Applications
- Investing in Access to Healthcare

Certificate of Needs

What is it?

State regulatory mechanism for approving major capital expenditures and projects for certain health care facilities

How does it work?

OHA oversees all applications to approve the creation of new health care facilities or the expansion of an existing facility's service

Why is it needed?

To control health care costs by restricting duplicative services and determining whether new capital expenditures meet a community need

Timeline



1982 federal law required states to adopt CON laws



1987 federal mandate was repealed



2024 update

- 35 states have CON laws in some form
- 3 states have modified CON laws
- 12 states have no CON programs

Facilities & Services Subjected to CON in Oregon

- Hospitals
- Skilled nursing facilities
- **Intermediate care facilities**
- Long-term care facilities
- Health facility established by a health maintenance organization
- **Inpatient psychiatric services**
- **Inpatient chemical dependency services**
- **Inpatient rehabilitation services**

Activities Subjected to CON in Oregon

- Developing a new hospital or service
- Developing a new long-term care facility or service
- Increasing the number of skilled nursing, intermediate care or long-term care facility beds by more than 10 or by 10% of the facility's capacity, whichever is less
- Rebuilding or relocating an existing long-term care facility

Equipment Subjected to CON in Oregon

Magnetic resonance imaging scanners

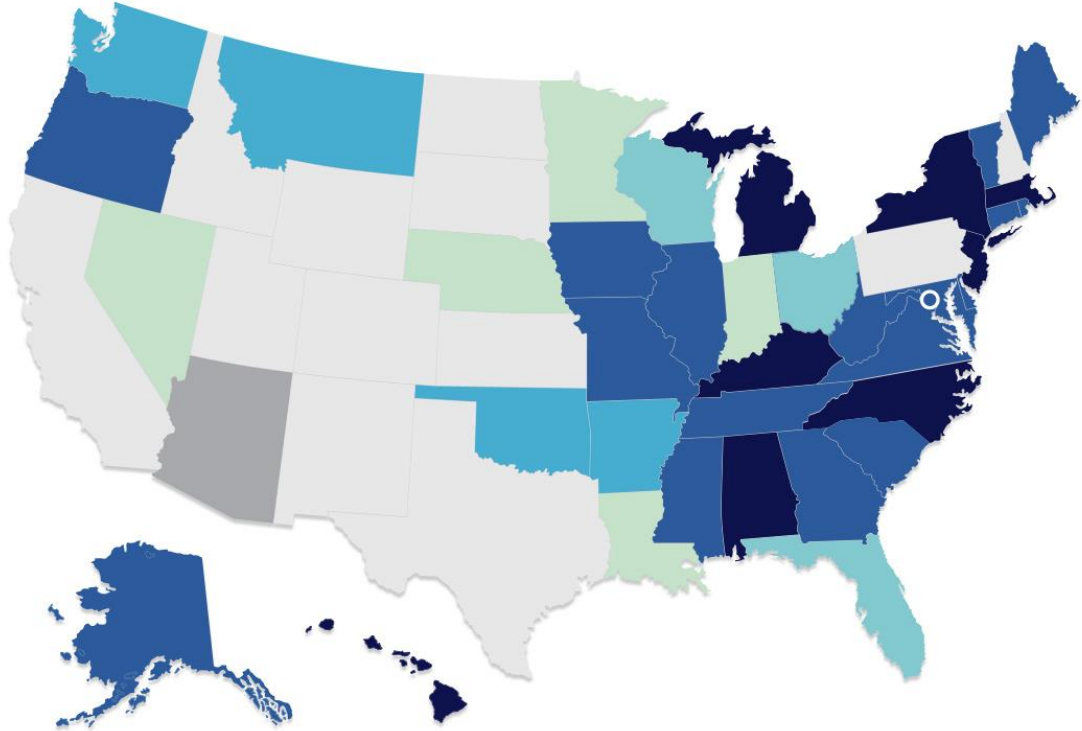
Positron emission tomography scanners

Cardiac catheterization equipment

Megavoltage radiation therapy equipment

Extracorporeal shock wave lithotripters

STATES THAT REGULATE HEALTHCARE ACCESS MOST HEAVILY



NUMBER OF CERTIFICATE OF NEED CATEGORIES

6	5	4	3	2	1	0
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SOURCE: INSTITUTE FOR JUSTICE



Impact of CON Laws

Eliminating CON reduces per capita healthcare spending by 5%

States with CON laws report:

- higher mortality rates following heart attack, heart failure, pneumonia and **higher readmission rates**
- higher death rates from post-surgery complications
- **lower hospital ratings and lower nursing home ratings**



Oregon's Healthcare Crisis

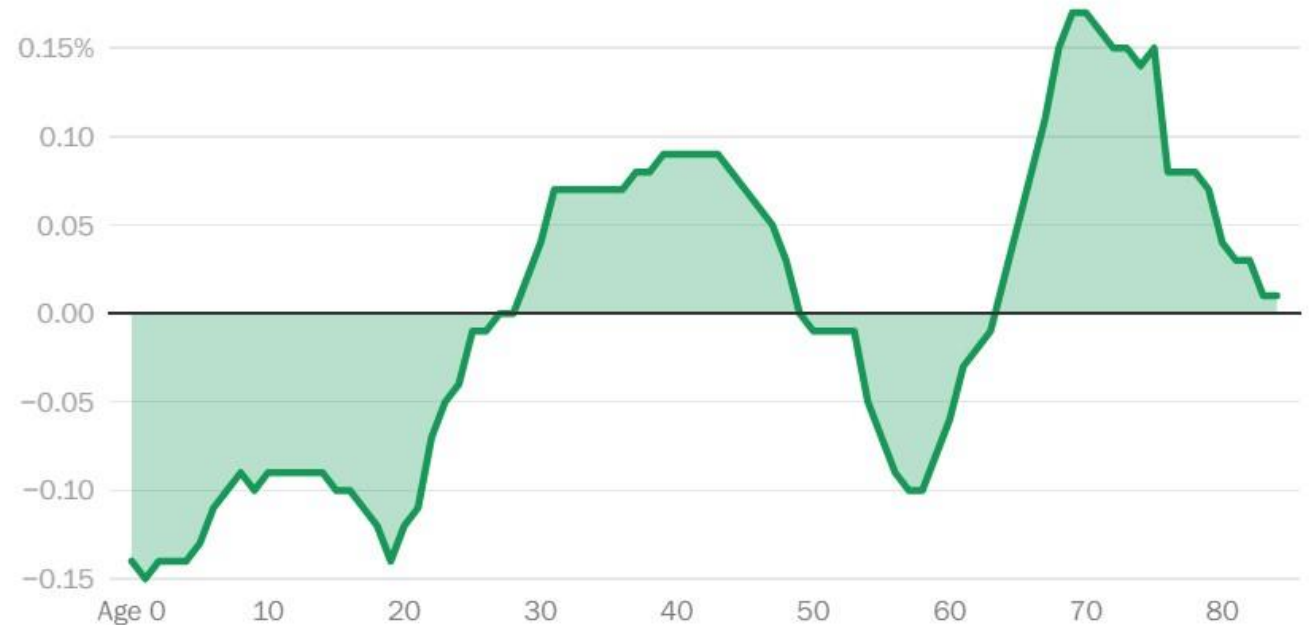


Aging Population

- Nearly one in five Americans will be aged 65 and older by 2030
 - By 2030 Oregon is expected to have an 18% increase in the number of individuals age 65+
 - **23 projected additional facilities** needed to maintain current ratios of seniors to nursing facilities by 2030
- or**
- existing facilities will need to add an average of **18 beds**
 - Someone turning age 65 today has almost a 70% chance of needing some type of [long-term care services](#) and supports in their remaining years

Oregon age distribution, compared to U.S.

The state has fewer people under 20 than the national average, and more in their 30s and at retirement age.



Source: Oregon Office of Economic Analysis, U.S. Census Bureau • [Get the data](#)



Mental Healthcare



27.3% of adults in Oregon have a diagnosable mental, behavioral, or emotional disorder

Oregon has the highest prevalence in the nation of Adults with Mental Illness (AMI)



19.1% of Oregonians in 2020 had substance use disorder

93.5% of these individuals did not receive any form of treatment



Oregon's ranked 30th* in the nation for access to mental healthcare

*A ranking of 1-13 indicates that a state provides relatively more access to insurance and mental health treatment

Oregon hiring projections, 2022-2032

State economists expect Oregon to add about 221,000 jobs in the coming decade, a 10% boost. Here are the industries they expect will add the most jobs overall.

Sector	Hiring projections	Percentage change
Health care	44,500	17%
Professional and business services	34,100	13%
Hospitality	34,000	17%
Trade, transportation and utilities	24,300	7%
Construction	17,100	15%
Local government	15,600	7%
Manufacturing	14,100	7%

Source: [Oregon Employment Department](#) • [Get the data](#)



Healthcare Workforce

- Health care is one of Oregon's largest employment sectors
 - Employment Department projects that there will be 44,500 jobs added by 2032



Recent Oregon CON Applications



Application Process



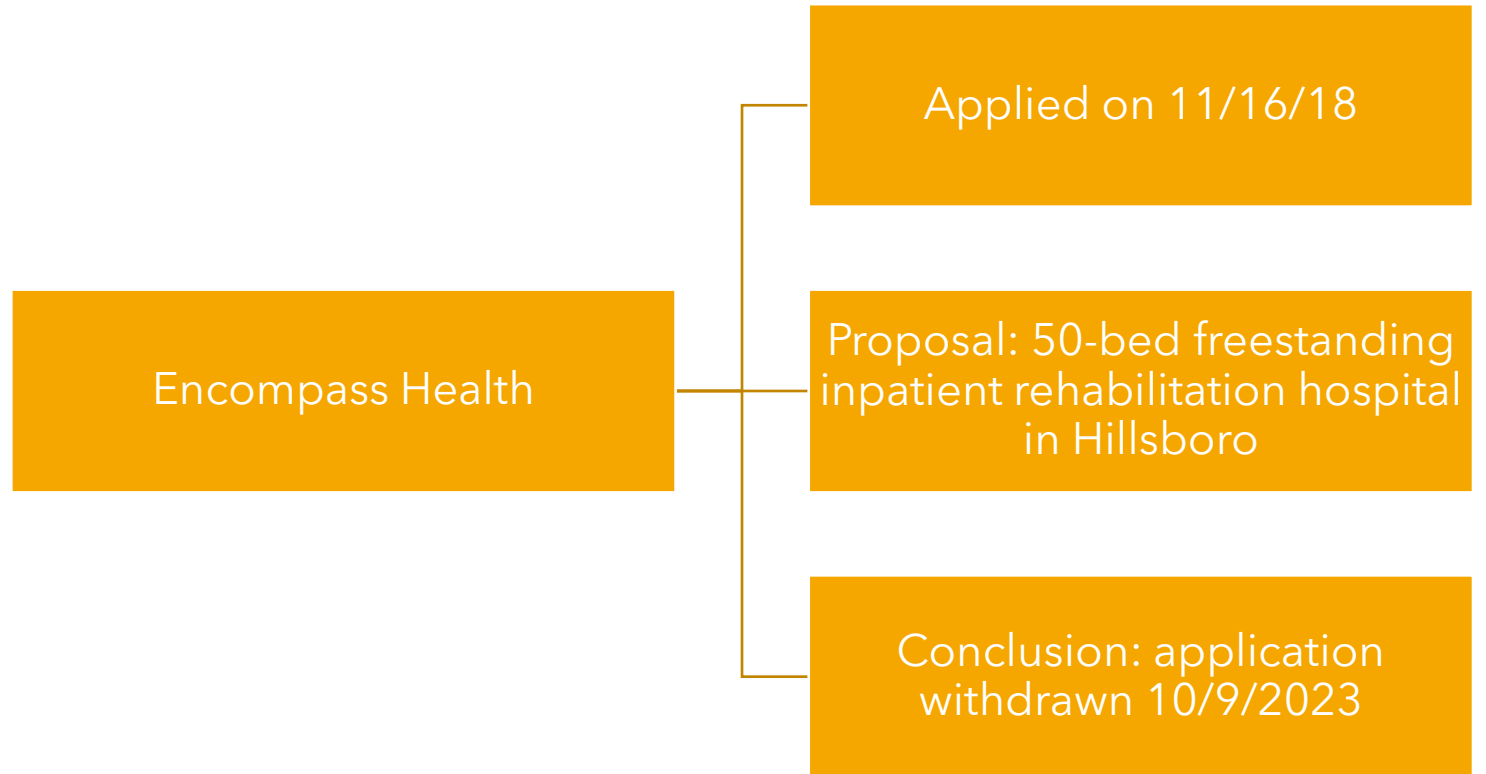
Application Cost: \$5,000 to \$90,900



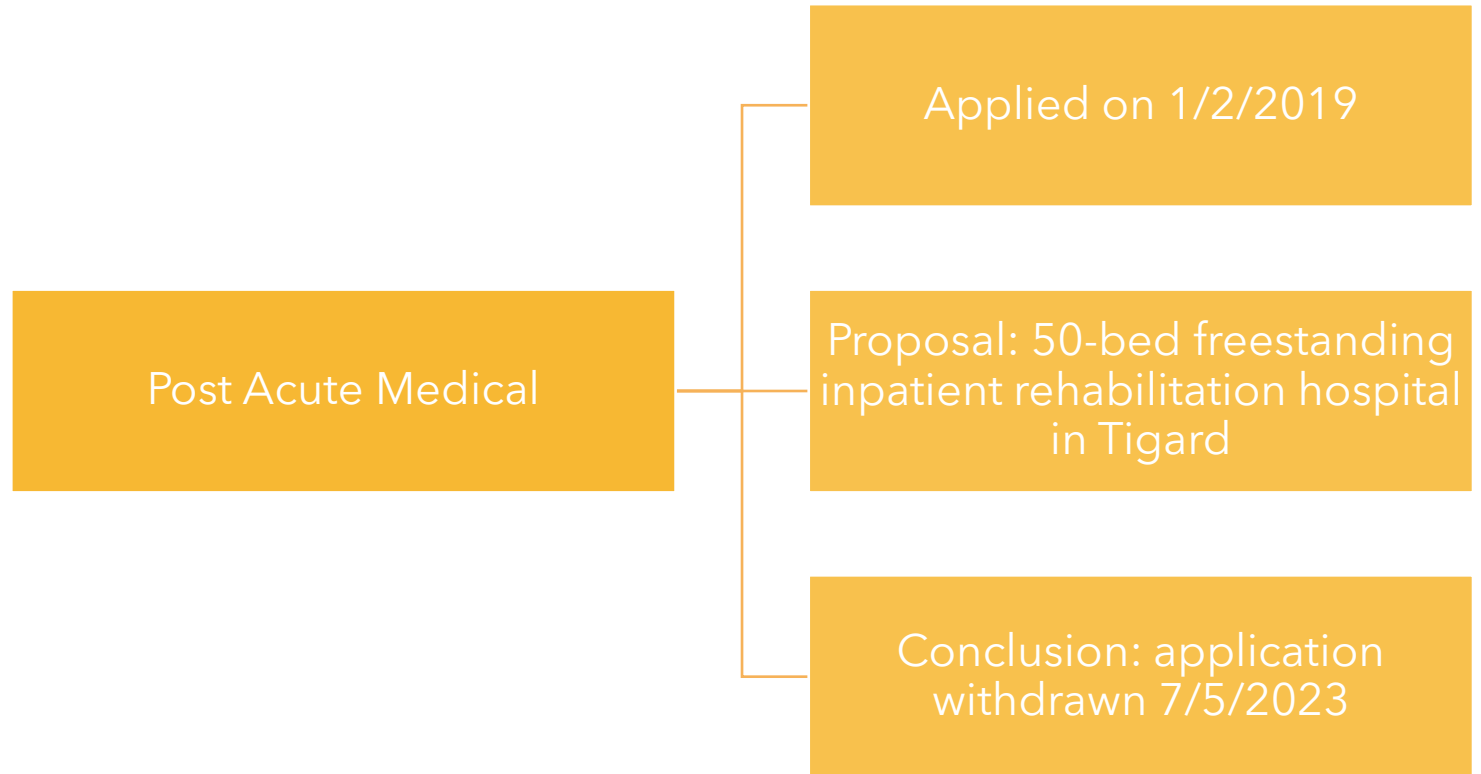
34 of the 39 jurisdictions with CON programs (including Oregon) allow an applicant's would-be competitors to object to their applications

This can result in full-blown litigation and leads to further costs and delays

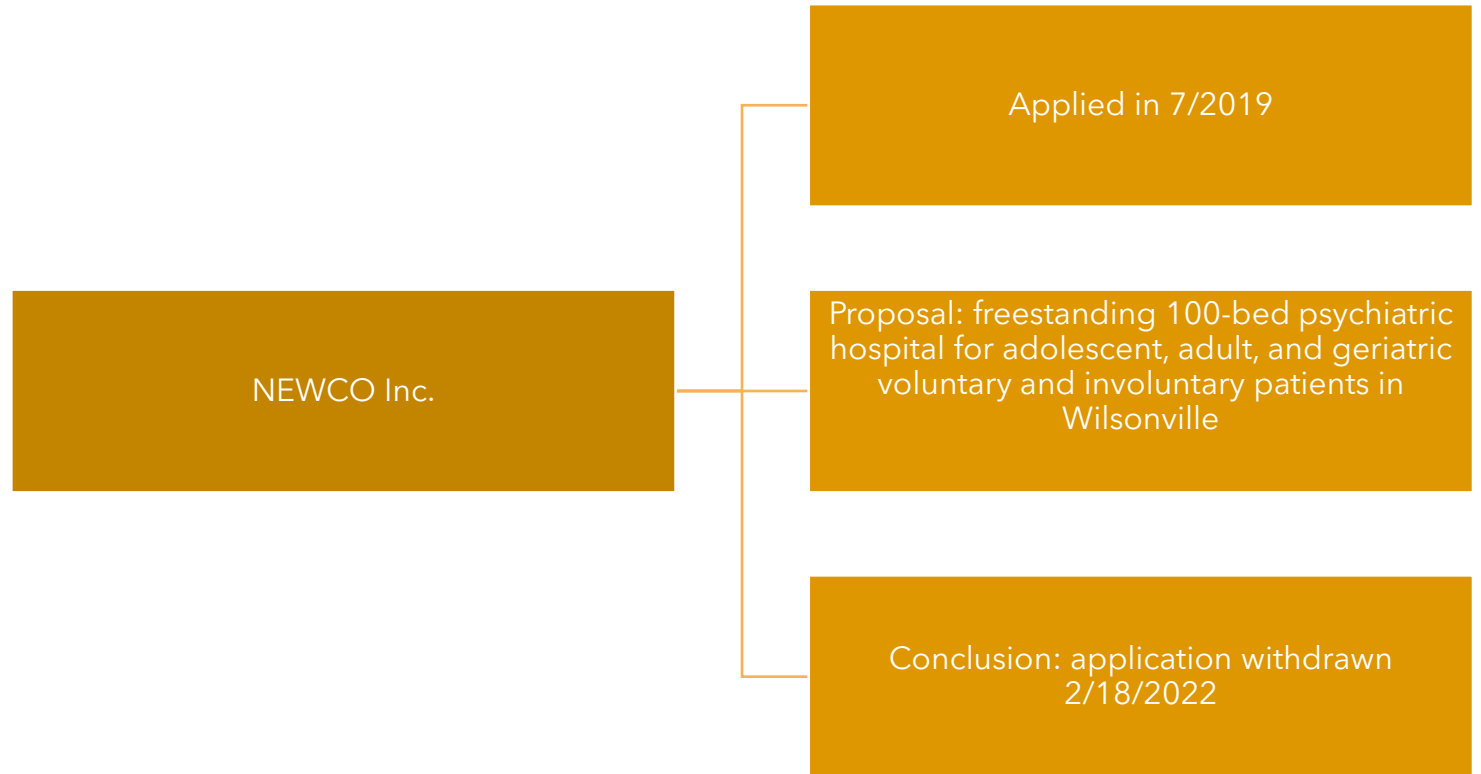
Inpatient Rehabilitation Facility CON Applicants



Inpatient Rehabilitation Facility CON Applicants Cont.



Inpatient Psychiatric Facility CON Applicants





Summary

Oregon's policy and legislation should be giving the "green light" to potential investors in the healthcare industry. Our aging population in addition to the ongoing mental health and addiction crises cannot afford to lose access to healthcare.



Thank you

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