



July 13, 2018

Ms. Donna Steward
Executive Director, Office of Rate Review
State of Alaska, Department of Health & Social Services
3601 C Street, Ste 978
Anchorage, AK 99503

Dear Ms. Steward,

As a follow-up to comments provided on June 29, the Alaska State Hospital and Nursing Home Association (ASHNHA) is providing additional comments on possible changes to the "Alaska Certificate of Need Review Standards and Methodologies." At the Department's listening session on June 6, 2018, the Department requested suggestions concerning possible changes to regulatory documents adopted by reference and used by the CON program, by July 15, 2018.

ASHNHA convened a CON work group that has been meeting to discuss opportunities to improve the CON process. After providing comments on CON regulations, ASHNHA work group members began researching benchmarks for services based on the list of specialty services listed in the review standards document. Consistent with previously voiced concerns, we quickly realized the complexity of this task and how unrealistic it is to complete this work by a July 15 deadline.

As previously noted the review standards and methodologies are dated December 9, 2005, which suggests that they have not been updated to meet industry standards for nearly 13 years. To make meaningful changes in standards that have been in place for so long will require a lengthy process with full engagement of DHSS and a variety of stakeholders. ASHNHA work group members recognize the need to update the standards but cannot do this work ourselves.

In addition, before undertaking this significant body of work we need agreement on the long-term goal - what is the ideal state for CON? What is the philosophy underlying CON that we seek to uphold? This will guide the process.

It would be possible for ASHNHA to invest significant time and resources to hire a consultant to work with us to identify new benchmarks and standards, but without a collaborative process with DHSS and other stakeholders, we have little assurance that our work will be accepted or meet the needs of all stakeholders. We have concerns that making quick changes to the CON review standards and methods could have unintended consequences. In addition, ASHNHA can provide feedback from hospital and skilled nursing facility members, but the perspectives of other stakeholders in the health care industry must also be considered.

Based on these internal discussions, the only comment we can provide is that we believe the standards and methodologies are deeply flawed, given the rapid evolution of the health care

industry since 2005 when they were last updated. To produce meaningful change will require more engagement with DHSS and stakeholders than is currently available under the proposed timeline to complete draft changes within the next eight weeks.

As a result, ASHNHA urges the Department to continue engaging with providers as it works through its ideas for updating the CON regulations and recognize that the complexity of changing the standards and methodologies will require more in-depth collaboration and work.

ASHNHA members remain committed to engaging in this process with the Department. However, until there is agreement on the philosophy and goal for moving forward and a realistic timeframe for completing the work we cannot offer more concrete recommendations for changing the standards.

Sincerely,

A handwritten signature in black ink, appearing to read "Becky Hultberg".

Becky Hultberg
President/CEO