

Loeb & Troper's *e-Bulletin*

Overview of CON-Related Changes

Several major CON-related changes have occurred in recent months impacting the submission and processing of CON approvals for health care projects. While the intent of the changes is to focus NYSDOH resources on highly complex projects and eventually substantially streamline all CON activities, organizations need to be aware of these new processes and the impact on key projects that may be contemplated.

IMPLEMENTATION OF NYSE-CON – ELECTRONIC CERTIFICATE OF NEED

At the end of December, DOH unveiled the New York Electronic Certificate of Need (NYSE-CON) process. NYSE-CON, which will eventually be the method by which all CONs are submitted and updated, is designed to increase efficiency of processing and improve record keeping by DOH. NYSE-CON is accessed through the Health Commerce System (HCS) website which requires users to be authorized in order to submit or update a CON. All DOH correspondence on CON processing is expected to flow through NYSE-CON as well. While DOH is currently still accepting traditional paper copy CONs, each facility's HCS coordinator will eventually need to utilize the NYSE-CON system in order to submit and update CONs or to authorize a consultant to submit or update on the organization's behalf. *At this time, establishment of new providers and ALP applications are not being processed electronically.*

SHRPC + PHC = PHHPC

The State Health Review and Planning Council and Public Health Council were consolidated into one new entity, Public Health and Health Planning Council (PHHPC), as of December 2010

This single entity will help to streamline the review process for applications requiring Council approval, reduce meetings and administrative burden and shorten the timeline for review of projects. A tentative schedule of meetings for 2011 has been released by DOH. Projects requiring approval of the PHHPC include all full review CONs including any establishment or change of ownership applications.

NEW CON THRESHOLDS

To streamline certain types of CON processing, DOH has increased project cost thresholds for each type of review. Certain types of projects, such as establishment applications, remain at the same level of review. However, the project cost limit for administrative review applications has been increased from \$3 million to \$6 million. Review of other specific types of projects such as cost increases and project amendments have also been lowered to administrative review. Further, those projects requiring minor construction (up to \$6 million) or those not involving a clinical area (up to \$15 million) will be reviewed at the less intensive level of a limited review. As well, new forms for limited reviews have been developed and this and other additional information can be found on the NYSDOH website.

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CHANGES TO CON COST THRESHHOLDS

Application Type	Cost Limits		Examples of Types of Projects
	Old Limit	New Limit	
Full Review	Over \$10 million	Over \$15 million	<ul style="list-style-type: none"> • Addition of beds • Change of ownership/ Establishment • Replacement facility
Administrative Review	Between \$3 and \$10 million	Between \$6 and \$15 million	<ul style="list-style-type: none"> • Changes in licensed services • Relocation of Adult Day Health Care programs • Addition of dialysis stations for existing dialysis provider
Limited Review	Under \$3 million	Under \$6 million	<ul style="list-style-type: none"> • Minor construction • Non-Clinical renovation (up to \$15 million) • Relocation of program within service area

DOH UPDATING THEIR FILES

With the move to NYSE-CON, DOH is revisiting all CONs that are in DOH files regarding which no recent action has occurred. DOH is sending a letter to organizations requesting a response within 30 days as to whether the project should be withdrawn or if not, requesting that the organization submit updated information in order to continue processing.

L&T CON CAPABILITIES

Loeb & Troper health care consulting group has successfully obtained CON approval for hundreds of projects since our inception in 1983. Further, we are often involved with our clients from project concept through implementation and occupancy. L&T offers full-service consulting services spanning financial management, strategic planning (including project coordination and management) and clinical operations management. This means we can help you develop the idea, test it financially and strategically, develop a business plan, obtain CON approval, assist in obtaining project financing, help you get it built, ensure it is compliant physically and operationally and prepare you to begin operations. We have the capabilities to handle the largest multi-building replacement projects as well as the smaller projects that are needed enhance everyday operations.

Should you have any questions about the changes impacting CONs or any project that your organization is considering, we would be happy to discuss it with you.

If you have questions or would like further information, please contact:

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