



BROWNHealth
UNIVERSITY

February 26, 2025

Representative Marvin L. Abney
Chair
House Finance Committee
State House
82 Smith Street
Providence, RI 02903

Government Relations

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Providence, RI 02905

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David A. Balasco
Vice President

RE: Article 10 Section 1 – Health and Human Services

Dear Chairman Abney,

Brown University Health (“Brown Health”) appreciates the opportunity to provide comments on Article 10, Section 1 and 2 of the Governor’s proposed budget amending the certificate of need (“CON”) statute. Generally, Brown Health supports efforts to streamline and limit the CON process, reduce the administrative burdens and allow hospitals the flexibilities to respond to the dynamic healthcare environment to meet the needs of our patients. Since its enactment, the statute has been continuously amended resulting in increases in restrictions, costs and burdens on applicants, especially hospitals. Accordingly, we urge this Committee and the General Assembly to support the Governors proposed Budget Article.

While we applaud the proposed amendments, we would seek some modest changes to provide clarity and further reduce financial costs to applicants.

New Healthcare Equipment

The proposal changes the definition of “new healthcare equipment” and limits it to just linear accelerators and positron emission tomography (PET)s with no further linkage to capital costs. Brown Health supports this amendment. However, the proposal also removes the ability for a hospital (or any applicant) to avoid the CON process for one-for-one equipment replacement. To that extent, it is unclear if such a replacement would continue under regulation as it currently does, or if the intent was to require such replacement equipment to undergo CON. If the result of the proposed language would be to require a new CON process for replacements, then Brown Health opposes this provision and urges this Committee to restore the ability for covered entities to continue one-for-one replacements.

Application Fees

Brown Health also urges this Committee to include a cap on the application fees. While the proposed Article eliminates the application fee for expeditious review, it maintains the current statutory language that imposes a fee of one quarter of one percent (0.25%) of the total capital expenditure cost associated with the application. While this may seem low and result in a de minimus fee for many applications, significantly larger projects will result in similarly large and unnecessary fees. To be clear, these are not costs for departmental experts or reports but rather are simply an application fee. Brown Health supports the inclusion of a statutory maximum cap in the amount of \$350,000 at the one quarter of one percent (0.25%) of the total capital expenditure. Any higher fee amount serves no purpose.

Review Period

The proposed amendment also increases the timeframe of the CON process. Unfortunately, it is already too long at over 150 days (not including appeals). Instead of further lengthening the timeframe, this Committee should shorten it. Brown Health proposes reducing it to a maximum of 90 days with a one-time ten (10) day extension for the health services council and a five (5) day extension for the director's decision. This will ensure that the statute encourages and supports innovation and accessibility, both newly defined in this Article and supports the intent of the proposed changes to streamline and make more efficient the CON review process.

Brown Health again appreciates the opportunity to provide our comments on Article 10 of the proposed budget and looks forward to working with this Committee as it considers these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Balasco". The signature is fluid and cursive, with the first name being the most prominent.

David A. Balasco, Esq.
Vice President, Government Relations