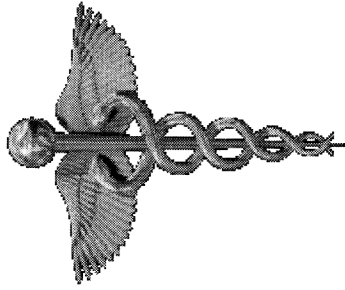


Health Watch USA

Promoting Affordable Quality Healthcare



All that is necessary for the triumph of
evil is that good men do nothing.”
(Edmund Burke, 1729-1797)

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New Kentucky Regulations Prevent the Building of Additional Hospitals

New regulations enacted by Governor Fletcher have made it harder to build additional new hospitals in a county but easier to expand and relocate existing hospitals.

**** For more information see reverse side of card ****



Health Watch USA — Promoting Affordable Quality Healthcare

All information contained in this document is the express opinion of Health Watch USA Inc. a Kentucky Non-Profit Organization

If you have thoughts you would like to share on this or other issues you can call the Governor's Office at 502-564-2611

#1. On Jan 31, 2006 KY CON Regulations Were Tightened for Building Additional Hospitals. (CON: Certificate of Need)

Health Watch USA has concluded that the new Kentucky regulations for building an additional hospital in a county have been severely tightened and have the effect of preventing an additional hospital from being built in Pulaski County and probably in any other part of the State. For example: In the initial proposal an additional hospital in the county could be built if there was a documented history of uncorrected quality control problems which threaten the life, health and safety of the hospital's patients. This criteria was eliminated. Now approval to build an additional hospital can be granted only if the hospital received final termination of Medicare and Medicaid funding, final loss of licensure or final loss of accreditation. But not just the hospital in question but all hospitals in the surrounding counties must all at the same time meet the criteria.

The Criteria to address high charges has also been tightened. Medicare-Medicaid payments are counted which are similar between hospitals and dilute out the charge criteria. The criteria must also be met at the same time by all hospitals in surrounding counties.

#2. On Jan 31, 2006 KY CON Regulations Were Loosened for Expansion of Existing Hospitals. (CON: Certificate of Need)

While the new regulations have the effect of preventing additional hospitals from being built, according to the Lexington Herald Leader (March 18, 2006) the new CON regulations make it easier for existing hospitals to expand. Marymount Hospital in Laurel County has announced it intends to expand by 74 acute care beds and build a new facility of over 140 beds on a 52 acre parcel of land between Parker Rd and I-75 in London, KY.

This should put to rest any debate regarding whether the region can support an additional medical center. It can. However, it looks like it is going to be built in Laurel County instead of Pulaski County. Associated with this expansion, Laurel County's community college campus is undergoing a 14 million dollar expansion for a nursing and allied health program.

#3. History Behind the Hospital Construction Regulations in Kentucky.

In June of 2005, the Governor's order that prevented new hospital construction was set to expire in June. The Mayor of Somerset asked for emergency approval to build another hospital. This request was turned down. The order preventing new hospital construction was then extended another six months so the regulations for hospital expansion and construction of additional hospitals can be revised.

The Governor asked several leaders in Pulaski County for suggestions regarding the new regulations. Several community leaders consulted with a lawyer and submitted suggested changes. These changes would allow the granting of a Certificate of Need (CON) to build an additional hospital, if the existing hospital was for-profit, of a certain size, and it had a monopoly in the county. The premises of this regulation was simple. Competition is good for everyone, it lowers charges and promotes quality. The CON regulations were enacted at a time when all hospitals were non-profit and State sanctioned monopolies did not exist. A request for an additional hospital in Pulaski County under this regulation was submitted to the Governor.

The request and this regulation was turned down by the Cabinet for Health and Family Services. A very broad and sweeping regulation which would safeguard quality and charges was proposed. If enacted, this regulation would effect every county in Kentucky. However, proponents of the status quo actively lobbied the Governors Office and blocked its implementation.

The result was a rewrite of the Certificate of Need regulations for new hospitals which actually tightened them for the construction of additional hospitals. Some have stated they have the effect of preventing any additional hospitals from being constructed in Kentucky.

For more information and to view the new regulations go to:
www.healthwatchusa.org Click on the "What's New" button