SENATE PUBLIC HEALTH, WELFARE & SAFETY
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BILL NO. SB 257

For presentation to the Senate Public Health Committee on January 28, 2005

For the record, I am James Holcomb, Executive Director at Park Place Health Care Center, Great Falls. I have been licensed in the State of Montana as a Nursing Home Administrator, since 1977. I have worked in a large hospital, several smaller combined facilities (hospitals and nursing homes that are now CAH's) and 3 free standing nursing homes. I am extremely familiar with the working of the CON statutes, having seen many changes over the years, pursuing 3 projects through the CON process, and serving both on the Statewide Health Coordinating Council and the taskforce to update the 2001 State Health Care Facilities Plan.

I am here today to support the clarification that Senate Bill 257 provides.

For many years the State of Montana has tried to control health care costs through the Certificate of Need process.

During these same years, the MHCA (Montana Health Care Association) and MHA (An Association of Health Care Providers, the former Montana Hospital Association) have both had agreements and disagreements over the CON statutes. This bill has the strong potential to further the differences between the Nursing Home and the Hospital industry. I hope that this is not the case. Neither of us can exist without the other.

This bill affects 16 communities (mainly small and rural) that have stand alone nursing homes and hospitals, specifically Critical Access Hospitals (CAH's). What this bill is striving to do is place both the CAH and nursing home on an even keel when it comes to serving those residents who need long term care.

This bill does not change the CON statute; is clarifies it. SB 257 states that a CAH must also go through the CON process to add (license) additional beds, just as nursing

homes already must do. This is no different than when Benefis Healthcare, formally Montana Deaconess Medical Center, went through the CON process to open their TCU (Transitional Care Unit). These are licensed nursing home beds. This is the same as what a CAH would license their beds as.

The Montana nursing home industry has continued to support CON. The reason for this is that with nursing homes having such a heavy reliance on Medicaid monies, it not prudent to have a larger bed capacity than necessary to handle the nursing home population and concomitantly saves Medicaid monies for the State of Montana and the resident themselves. A review of the declining nursing home census over the past few years, mainly due to the larger number of alternative choices for long term care – assisted living, personal care, etc., should indicate there is limited, if any, need for adding more nursing home beds.

This country has always supported the entrepreneurial spirit and fought against unfair competition. The "lady of justice" holds a scale to make certain that situations are balanced and reasonable for all concerned.

I hope you support the clarification in Senate Bill 257.

James Halcomb 01/28/2005