



Virginia Orthopaedic Society
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TO: Secretary William A. Hazel, Jr., M.D. and Ms. Eva Teig Hardy
FROM: J. Abbott Byrd III, M.D.
DATE: October 9, 2015
RE: COPN Work Group Comments

Thank you for the opportunity to provide comments on the three change options to the current COPN process that were discussed at the September 28 meeting of the COPN Work Group. As the Virginia Orthopaedic Society's representative on this work group, I submit these comments on behalf of our organization.

The Virginia Orthopaedic Society strongly supports reforming the current Certificate of Public Need (COPN) process in Virginia. It is an outdated and ineffective program that is stifling innovation, increasing health care costs and limiting access to services for patients throughout Virginia.

With that said, the VOS does appreciate this is a complex issue and there are many different perspectives. For these reasons, we do not think the full elimination of COPN (Option 3) is viable. We also do not believe leaving the present COPN process as it is (Option 1) serves Virginians well in the current health care environment as we look to the future. Therefore, the VOS fully supports making significant modifications to the current COPN law (Option 2) that will benefit Virginia patients and result in better health outcomes.

This option contained two separate paths:

- a. Leaving the COPN law intact, while streamlining the application process and amended the State Medical Facilities Plan.
- b. Making changes in the COPN law itself.

While amending the State Medical Facilities Plan (SMFP) and improving the application process will serve as helpful tools, it is our belief that we must also make significant policy recommendations that will move this process forward. We must look at specific medical services that currently require a COPN and determine whether that should continue. It is our opinion that any policy recommendations from this work group should combine changes in the current application process, as well as relaxing the COPN laws on certain services.

As I listen to my fellow committee members it seems that the major concerns surrounding the relaxation of COPN laws center on quality of services provided and ensuring care for indigent patients, which is often supported by “safety-net” hospitals. The quality issue may be addressed by requiring any relaxed service to adhere to national parameters on utilization rates, as well as the quality of the equipment and services provided. As a practicing orthopaedic surgeon, I am quite sensitive to caring for patients without insurance and my colleagues and I view this as a critical part of our responsibilities. If COPN protected services were released from the COPN requirement, sufficient indigent care could be assured by coupling those services with an indigent care requirement.

A major concern physicians hear from patients every day centers on rising insurance premiums and deductibles. In September, the Kaiser Family Foundation released its annual survey of employer sponsored health plans. While 2015 premiums rose 4.2% compared to 2014 the shocking information in this report was the increase that occurred in deductibles. While the 4.2% increase in premiums was similar to the overall increase in health care, deductibles have increased almost threefold from an average of \$584 in 2006 to \$1318 in 2015. The elimination of certain services from the COPN law will introduce competition into the marketplace and will decrease the cost of those services. This will directly and immediately benefit patients by reducing the amount of their co-pays which have grown to the point that even if patients have insurance they can't afford to use it because of the out-of-pocket expenses.

Based upon our own members' experiences in medicine, the VOS believes that imaging services should not require a COPN. This would include elimination of a COPN for CT scanners and MRIs. In addition, we do not believe that ambulatory surgery centers should require a COPN. Quality data on these services is readily available. In addition, both services are straightforward and providers could easily be required to comply with an indigent care requirement.

Virginia patients will immediately benefit from the elimination of the COPN requirement for these services through increased access to care and a decrease in their ever-rising co-pays. Society will benefit by a decrease in the overall cost for these services.

Thank you for the opportunity to submit comments on the proposed potential options.