

# Strong Hospitals. Strong Communities.

Ensuring Access to Care and the Certificate of Need Program  
Joint Standing Committee on Health  
February 11, 2025



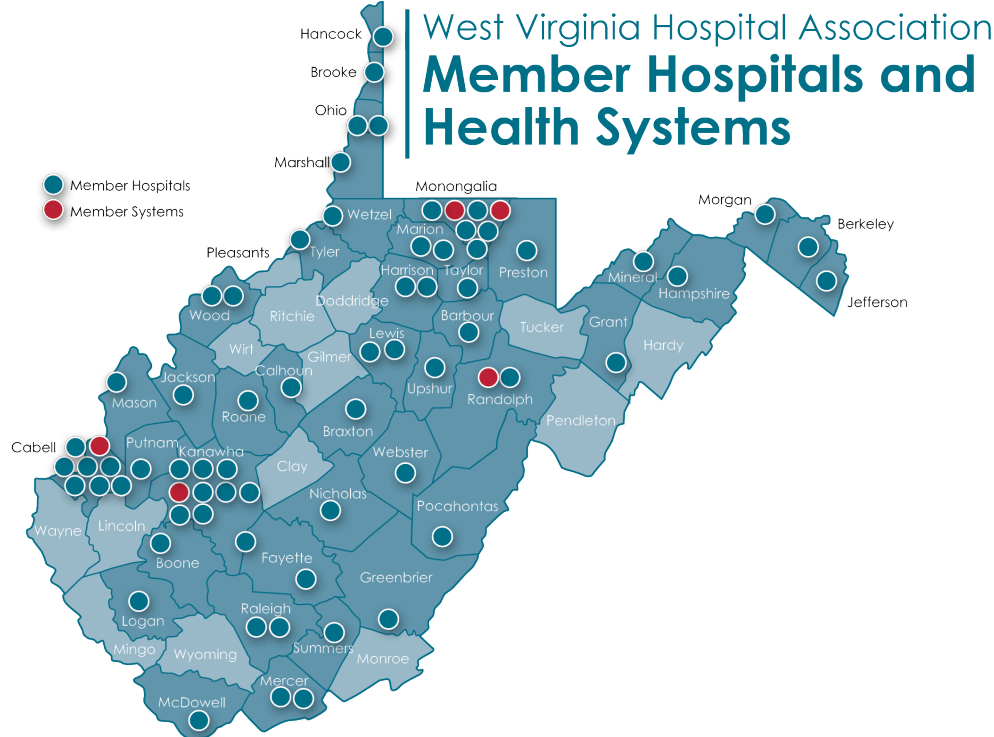


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# West Virginia Hospitals: Our Employees and Patients are YOUR Constituents - 2024



72

Hospitals in West Virginia

31

General acute care hospitals

21

Critical Access Hospitals (CAH)

20

Specialty facilities

WV Hospitals:  
Directly Employ nearly

53,000

West Virginians

Treated and released

870,000

patients from Emergency  
Departments

Welcomed more than

16,000

newborns into the world

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# West Virginia Hospitals: Largest Private Employers in the Community



## The 10 Largest Private Employers in West Virginia First Quarter 2023

Rank	Company Name	Industry	Employment Ra..
1	WVU MEDICINE	GENERAL MEDICAL AND SURGICAL HOSPITALS	More Than 10,000
2	VANDALIA HEALTH	GENERAL MEDICAL AND SURGICAL HOSPITALS	More Than 10,000
3	WAL-MART ASSOCIATES, INC.	WAREHOUSE CLUBS AND SUPERCENTERS	More Than 10,000
4	MARSHALL HEALTH	GENERAL MEDICAL AND SURGICAL HOSPITALS	5,000 - 9,999
5	KROGER	SUPERMARKETS AND OTHER GROCERY RETAILERS (EXCEPT CONV..	2,500 - 4,999
6	CONTURA ENERGY	UNDERGROUND COAL MINING	2,500 - 4,999
7	WVNH EMP, LLC	NURSING CARE FACILITIES (SKILLED NURSING FACILITIES)	2,500 - 4,999
8	LOWE'S HOME CENTERS, LLC	HOME CENTERS	2,500 - 4,999
9	TOYOTA MOTOR MANUFACTURING WEST VIRGINIA	MOTOR VEHICLE GASOLINE ENGINE AND ENGINE PARTS MANUFA..	2,500 - 4,999
10	AMERICAN CONSOLIDATED NATURAL RESOURCES	UNDERGROUND COAL MINING	1,000 - 2,499

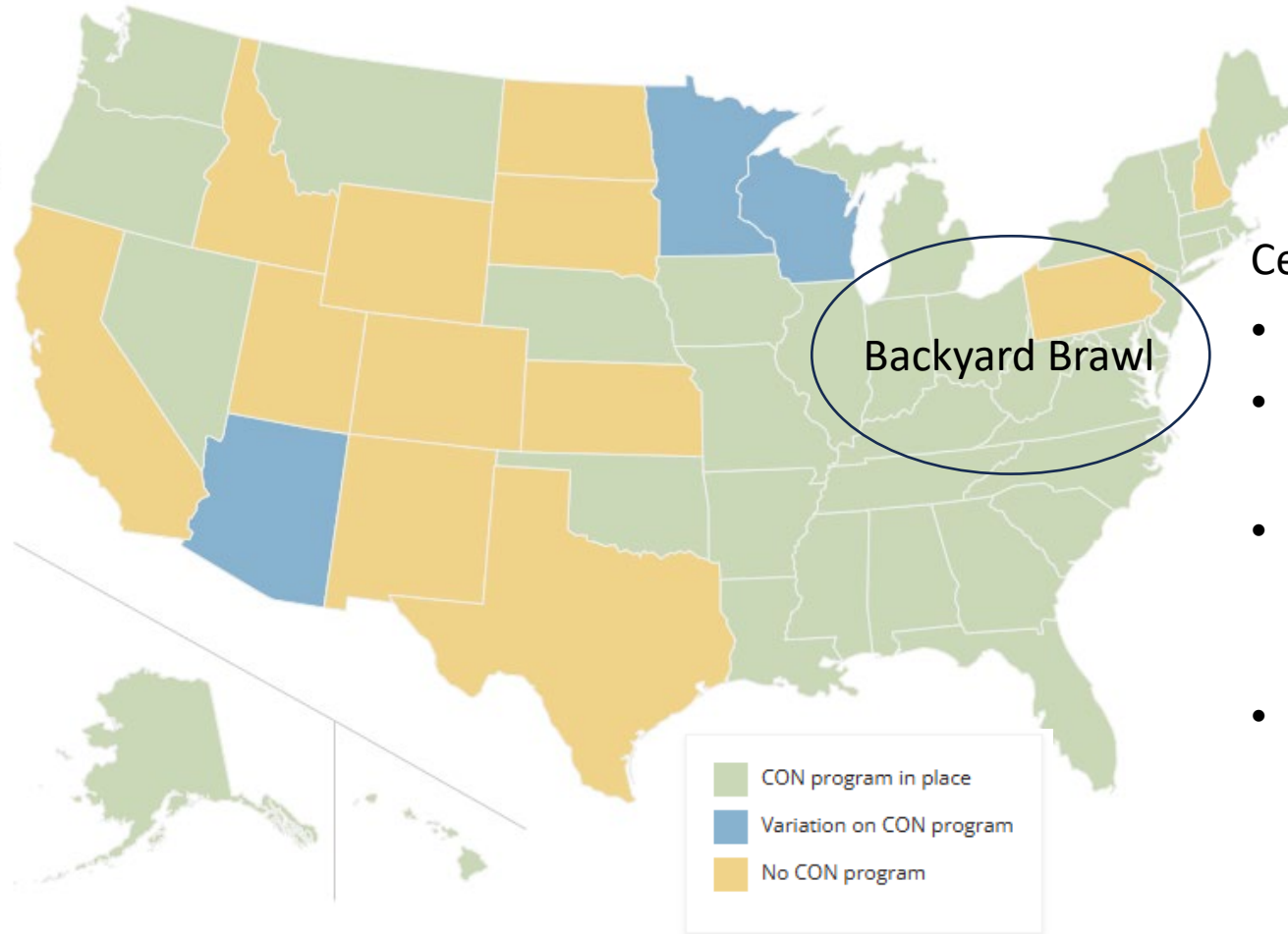
# West Virginia Health Care: Academic Theory vs. Reality

- West Virginia health care is not a free market:
  - 75% of patients covered by governmental programs that pay below cost
  - Payments below cost restrict ability to recruit and retain providers
- CON is not a barrier to expanding health care services:
  - West Virginia's rural nature, sparse population pose significant challenges to ensure economically viable services
  - Ability to support programs the community needs
  - 3 West Virginia hospitals have opened in the past five years
  - Existing hospitals are expanding services to improve access
- West Virginia CON law is achieving its goals:
  - 5<sup>th</sup> highest number of hospital beds per 1,000
  - 6<sup>th</sup> lowest hospital expense per inpatient day
  - 13<sup>th</sup> lowest private insurance spend per covered life



Williamson Memorial Hospital Reopens

# Certificate of Need State Laws: West Virginia is One of 38 States



## Certificate of need (CON) laws:

- 35 states operate CON programs
- 3 states operate processes similar to CON
- State mechanisms for approving major capital expenditures and certain health care services
- Aim to control health care costs by curbing duplicative services and determining community need



# West Virginia: Modernizing the Certificate of Need Program

2023

- Raises "expenditure minimum" from \$5 million to \$100 million
- Exempts from CON "hospital services" provided on a hospital's campus
- Exempts from CON birthing center
- Modifies private office practices to include one fixed-site MRI without CON approval if 75% of scans are for the patients of that practice

2020

- Removes \$1,000 fee for application to the Health Care Authority to file for an exemption
- Removes the 45-day review of the CON exemption request

2019

- Establishes a workgroup to review HOSPICE standards

2017

- Restructures West Virginia Health Care Authority who oversees CON
- Clarifies telemedicine is not subject to CON
- Clarifies expenditure minimums
- Clarifies ambulatory care exemption in the county in which the hospital is located
- Eliminates the Annual Assessment paid by acute care hospitals
- Excludes from CON the acquisition of the a "financially distressed hospital"
- Excludes from CON the acquisition by a qualified hospital which is a party to a cooperative agreement
- Excludes from CON the acquisition by a hospital of a physician practice that owns an ambulatory surgical center
- Exempts from CON a CT scanner in a private office practice if 75% of the scans are for the patients of that practice

# West Virginia: CON Approved in 2024

Provider	Project
Berkeley Medical Center	acquire 60% ownership of Ambergris
Stonepeak Magnet	acquisition of Radiation Therapy
Hometown Care	personal care services
Village Caregiving	Personal care services
Special Touch	Personal care services
United Health Group	merger with 4 home health entities
Physician Reliance Network	purchase WV Radiation Services
Potomac Valley	new physician practice in Mineral County
Special Touch	personal care services
Essential Needs Homecare	personal care in central WV
Southern Home Care	personal care in WV
Elder Aide Services	personal care in WV
Hospice of Huntington	personal care in WV
Wheeling Hospital	acquire ENT practice in Ohio County
Wheeling Rehab	acquire Peterson Hospital
Seneca Health	develop primary care Services in Summersville
Wetzel County	physician practice acquisition
CAMC	acquire physician practice in Charleston
Thomas Memorial	physician practice acquisition
Thomas Memorial	physician practice acquisition
Corridor H PT	PT in Lewis County
United Physicians Care	physician practice acquisition
CAMC	physician practice acquisition
Potomac Valley	physician practice acquisition
CAMC	physician practice acquisition
WVU Fairmont	development of surgery services
VCG Luna	acquisition of Amedisys and Tender Loving Care home health
WVU Hospitals	construction and development of 8 OR's in Morgantown
Potomac Valley	relocation of a specialty physician
CAMC	acquire Yeager Family Medicine
Appalachian Direct Care	develop Title XIX services for IDD
VCG Luna	to become the sole member of Housecalls Hospice
CAMC	acquire Beckley Oncology Assoc.
UHC	convert proc rooms to Ors
WVU	acquire Weirton Medical Center
Rivers Health	develop Amb care center in Gallipolis Ferry
Rivers Health	develop diagnostic services in Mason County
Potomac Valley	acquire physician
Univ Physicians and Surgeons	develop occupational health in Gallipolis Ferry
Reliable Relief Homecare	provide personal care services
Camden-Clark	physician practice acquisition

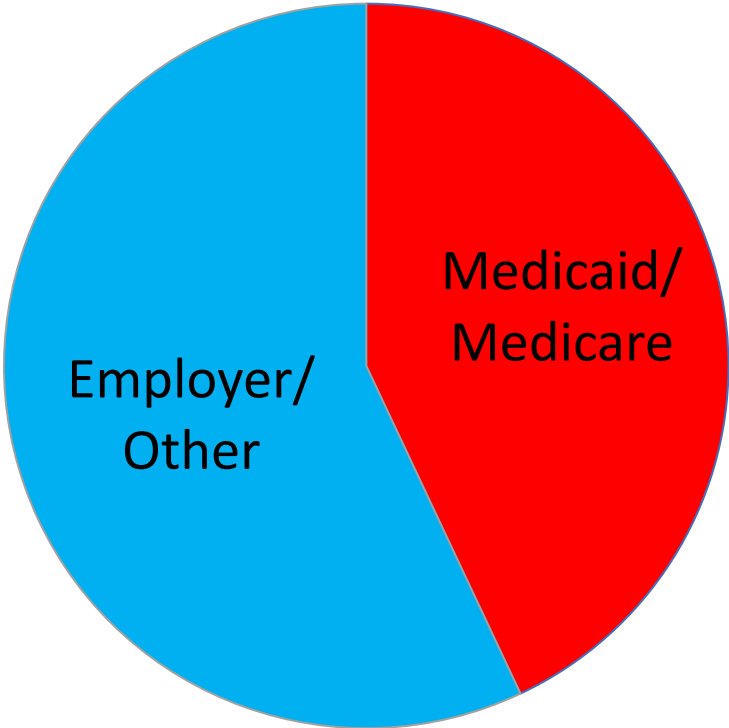
## West Virginia Health Care Authority Summary of Approved CON 2024

Service	CONs Approved
Provide personal care services	9
Acquire physician practice	12
Develop new physician practice	4
Develop/add operating rooms	3
Acquire radiation therapy services	4
Develop physical therapy services	1
Develop IDD services	1
Acquire home health/hospice services	3
Acquire hospital	2
Relocate physician off hospital campus	1



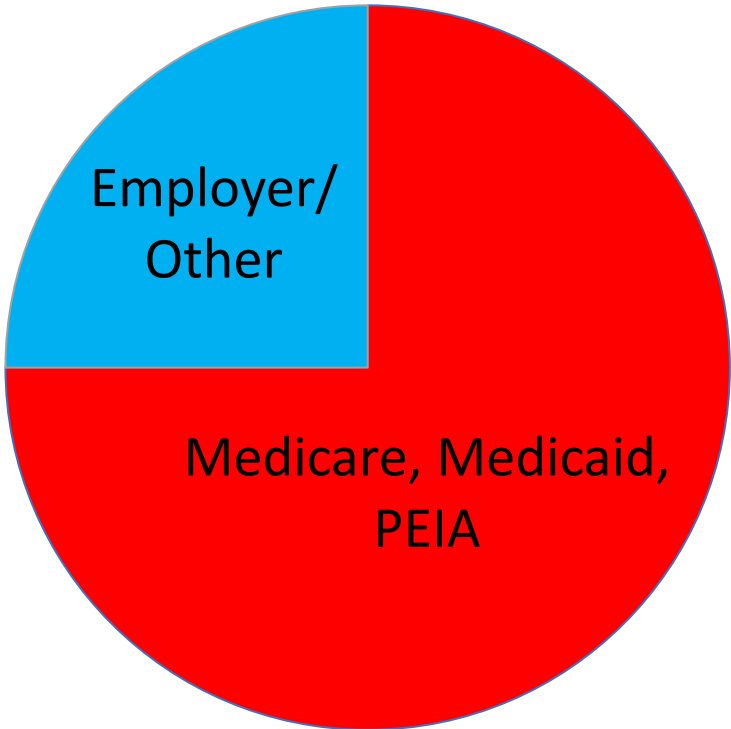
# West Virginia Health Care: It is NOT a Free Market

U.S. Hospital  
Revenue by Source



Source: National Health Care Expenditures, 2020  
Centers for Medicare and Medicaid Services

West Virginia Hospitals  
Revenue by Source



Source: Medicare Cost Report

# West Virginia Health Care: It is NOT a Free Market

## West Virginia Senate Bill 577:

- Replaces free market by placing limits the cost of insulin and diabetes equipment
  - 30-day supply of insulin to \$35
  - 30-day supply of diabetes equipment to \$100
- Applies to covered prescriptions for private health insurance and PEIA
- Effect Date: January 1, 2024
- Roll Call Votes:
  - House 85-12, with 3 absent
  - Senate 32-2

## WEST VIRGINIA LEGISLATURE

### 2023 REGULAR SESSION

**Enrolled**

**Committee Substitute**

**for**

**Senate Bill 577**

By Senators Maroney, Woelfel, Rucker, Deeds,

Grady, Hamilton, Queen, Clements, Oliverio,

Woodrum, Jeffries, Chapman, Barrett, Roberts, Hunt,

and Taylor

[Passed March 11, 2023; to take effect January 1,

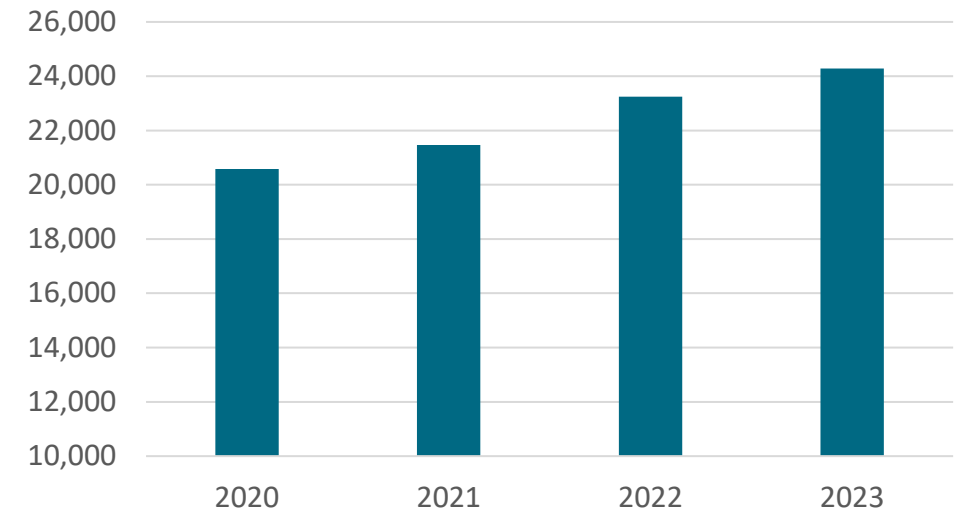
2024]

# West Virginia Health Care: Challenges in Primary Care, but Recruiting Providers

## Today in West Virginia

- CON laws do not apply to private practice physicians
- Private practice physician can open an office anywhere in the state, providing
  - Primary care services
  - Specialty care services
  - Laboratory and diagnostic imaging services for their patients
- Nearly the entire state is identified as a health professional shortage area
- Hospitals are working to expand access, increasing the number of providers by 19% between 2020-2023

Number of Unique Providers Listed as Attending at a West Virginia Hospital 2020-2023



Note: Number is higher as providers will be counted multiple times if listed as attending at more than one hospital

Source: UB Hospital Billing Data



# Rural Hospitals Closures Across the Nation

- 2005-2022, 186 hospital closures with most located in small rural areas, followed by large rural areas
- Rural counties that experienced a hospital closure:
  - Became more economically challenged
  - Higher unemployment
  - Lower per capita income
  - Lower median household incomes
- Rural closure counties were also likely to be primary care health professional shortage areas prior to hospital closure

Source: Rural Health Research Gateway, Rural Hospital Closures: 2023 Update



Ohio Valley Medical Center (OVMC)  
Wheeling, WV closed September 2019

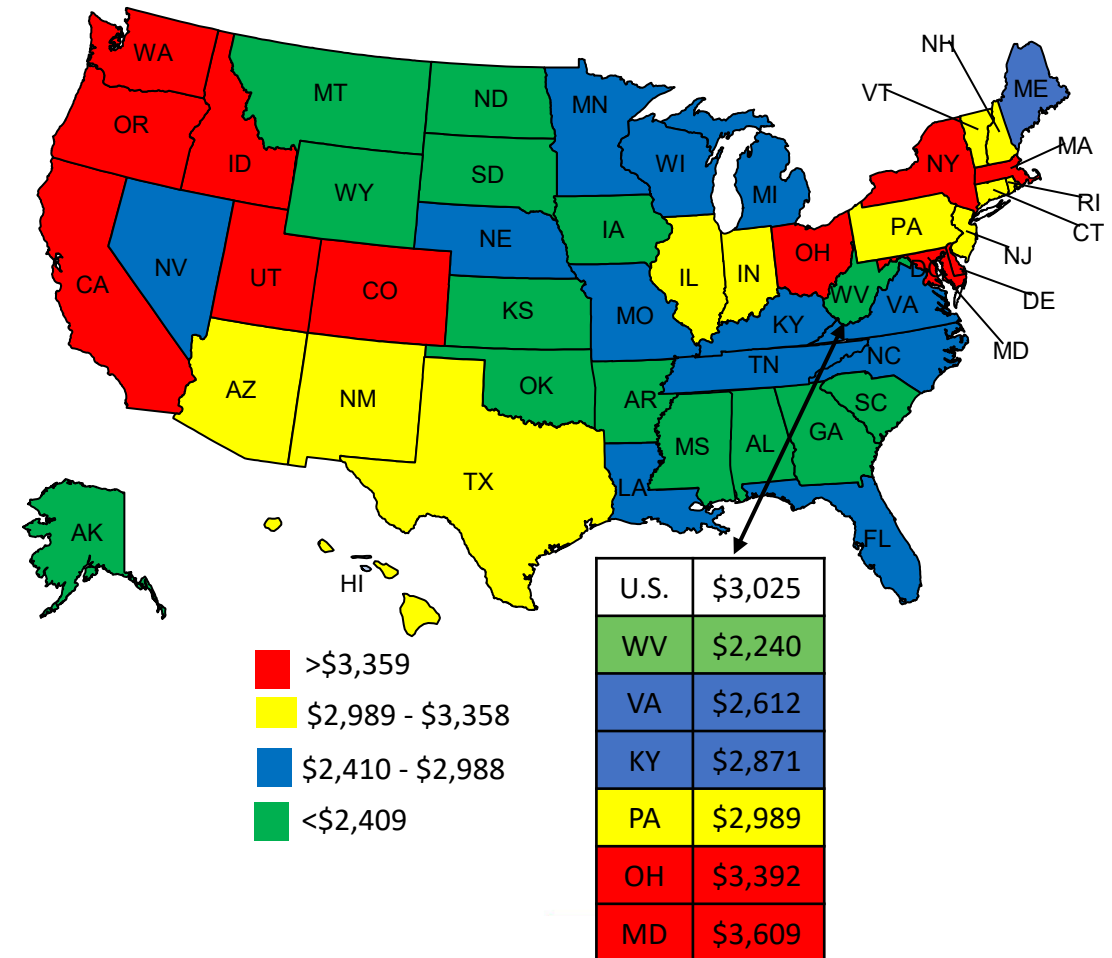
# West Virginia Health Care: Keep Cost of Care Low

West Virginia ranking in the United States:

- 50<sup>th</sup> for life expectancy at birth
- 1<sup>st</sup> for adults who report smoking
- 1<sup>st</sup> for adults who are obese
- 2<sup>nd</sup> highest prescription drugs filled per capita
- 4<sup>th</sup> highest hospital inpatient days per 1,000
- 5<sup>th</sup> highest number of hospital beds per 1,000
- 6<sup>th</sup> lowest hospital expense per inpatient day
- 13<sup>th</sup> lowest private insurance spend per enrollee

Source: Kaiser Family Foundation State Health Facts

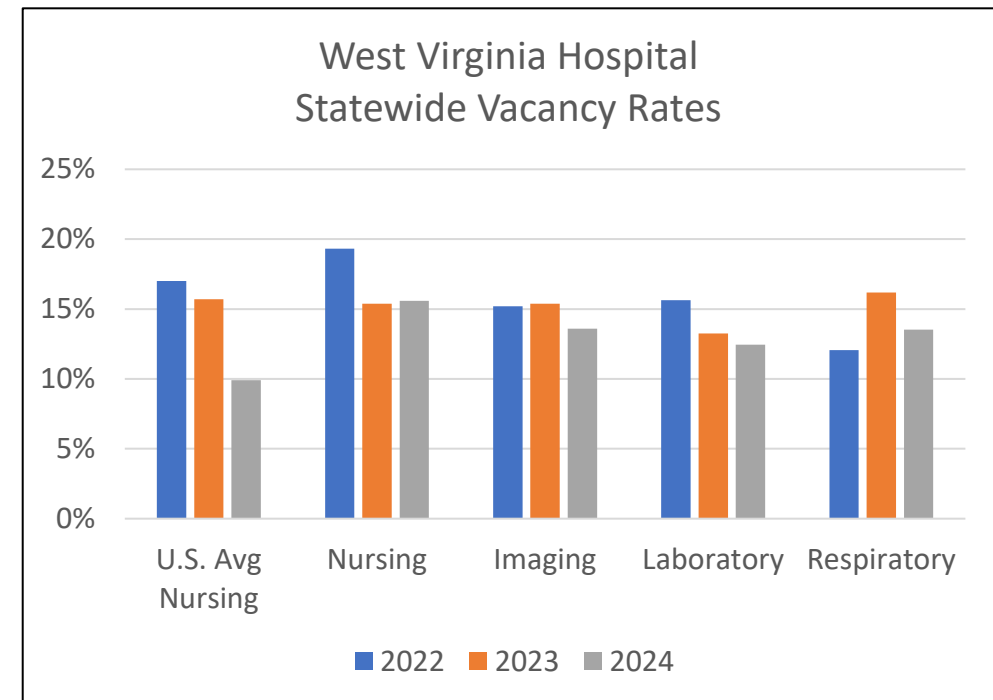
## Hospital Expense per Inpatient Day (2022)



Source: Kaiser Family Foundation State Health Facts

# West Virginia Health Care Workforce Shortages

- Hospitals report workforce shortages across all clinical and non-clinical positions needed for the safe operation of the hospital 24/7/365
  - Nursing and nursing support staff
  - Environmental services
  - Materials management
  - Phlebotomist
  - Respiratory therapists
  - Radiology technicians
  - Pharmacy technicians
  - Lab technicians





# West Virginia Health Care: Market Failure Leading to Lower Salaries

	West Virginia	Virginia	Kentucky	Ohio	Penn.	Maryland	United States
<b>Nursing Assistants</b>	\$35,340	\$37,440	\$37,980	\$38,570	\$39,780	\$40,770	\$39,610
<b>Lic. Practical Nurses</b>	\$50,090	\$57,810	\$55,100	\$57,660	\$58,880	\$66,460	\$60,790
<b>Registered Nurses</b>	\$75,990	\$88,350	\$81,770	\$84,430	\$87,530	\$92,090	\$94,480
<b>Nurse Practitioner</b>	\$113,450	\$120,870	\$110,370	\$122,870	\$127,450	\$127,990	\$128,490
<b>Clinical Lab Tech.</b>	\$59,250	\$61,810	\$56,820	\$60,570	\$60,940	\$60,640	\$62,870
<b>Radiological Tech.</b>	\$64,580	\$74,690	\$63,520	\$68,140	\$69,420	\$78,270	\$75,250
<b>Respiratory Therapists</b>	\$65,000	\$76,390	\$65,330	\$75,150	\$74,930	\$86,790	\$80,340

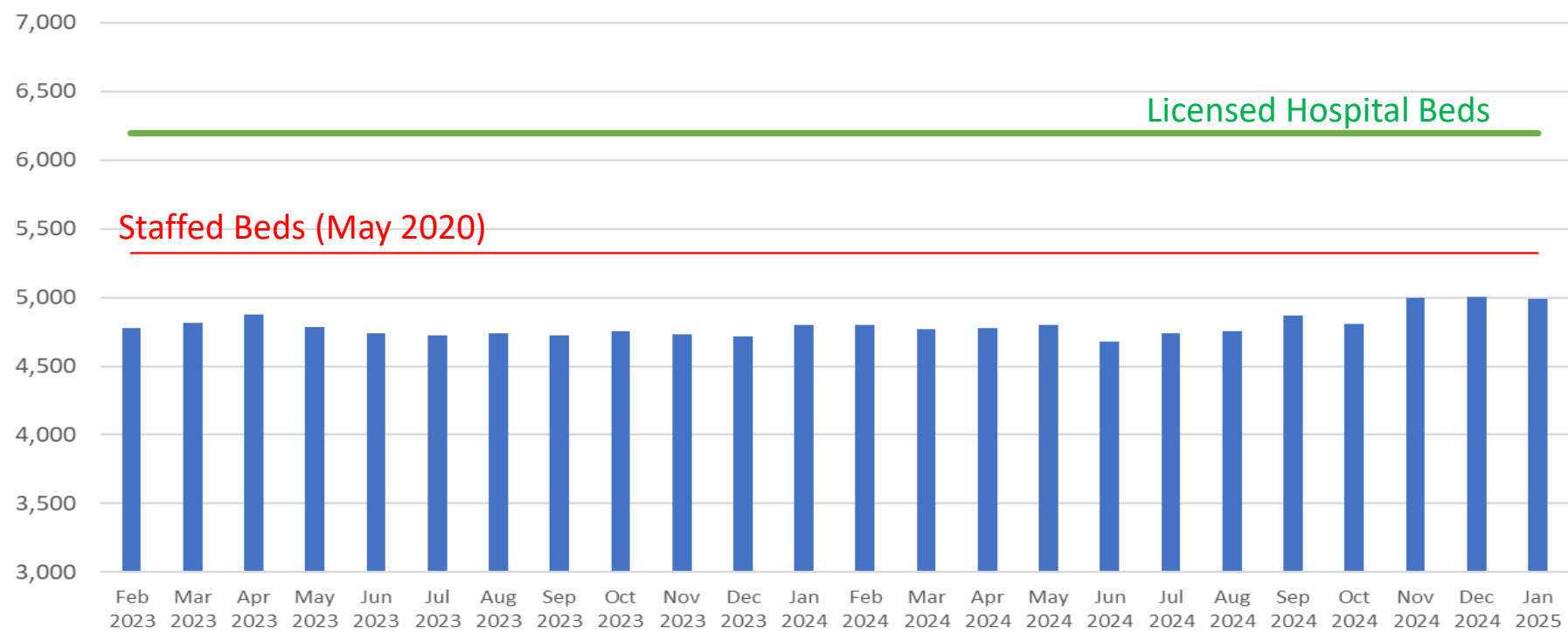
Note:

1. Red indicates West Virginia average salary is below the national average
2. Maryland and Virginia averages impacted due to Washington DC market

Source: Bureau of Labor Statistics, State Occupational Employment and Wage Estimates May 2023

# West Virginia Health Care: Market Failure Leading to Access to Care Challenges

Health Care Continues to Evolve Shifting Service to Outpatient Setting

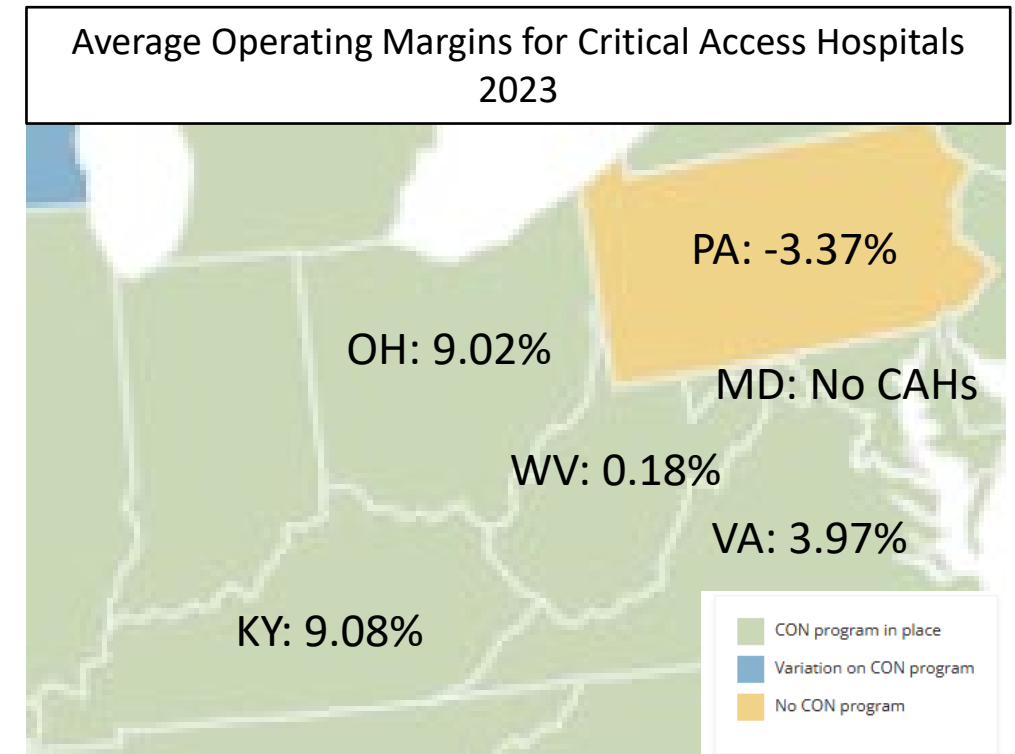


Staffed Hospital Beds



# West Virginia Health Care: Expand Access to Care in a Challenging Market

- Between 2019 to 2024 three hospitals have opened
  - WVU Medicine Fairmont Medical Center
  - Williamson Memorial Hospital
  - Mon Health Marion Neighborhood Hospital
- Access to care is being expanded including opening rural health clinics, primary care practices, and ambulatory care locations
- Hospitals partnering to expand services on their campuses to include:
  - Cancer Care
  - Pediatrics
  - Cardiac Care
  - Stroke centers



Source: CMS Healthcare Cost Report Information System (HCRIS)



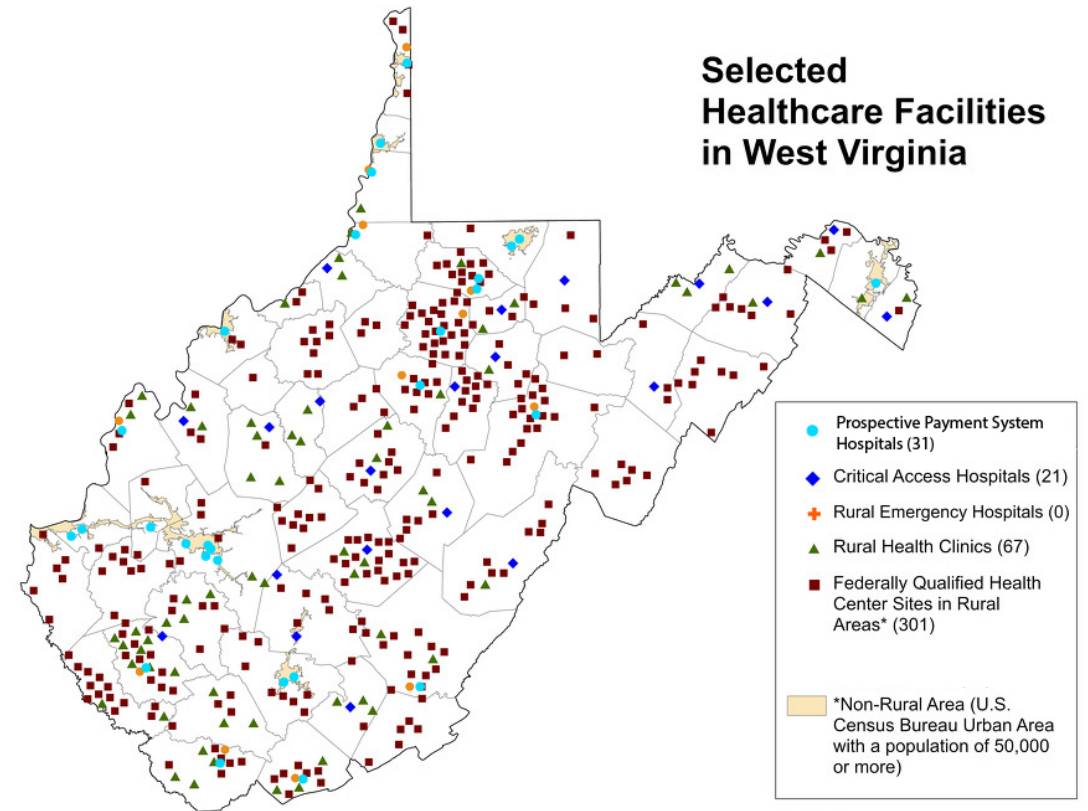
# West Virginia Health Care: Patient Access and Services

## Providers Summary

- 31 Prospective Payment System (PPS) Hospitals<sup>1</sup>
  - Outpatient 57.5% and Inpatient 42.1%
- 21 Critical Access (CAH) Hospitals<sup>1</sup>
  - Outpatient 86.8% and Inpatient 13.2%
- 19 Specialty Hospitals<sup>1</sup>
- 67 Rural Health Clinics<sup>2</sup>
- 301 Federal Qualified Health Centers<sup>2</sup>
- 123 Certified Nursing Facilities<sup>3</sup>
- 3,079 primary care physicians<sup>3</sup>
- 2,691 specialty care physicians<sup>3</sup>
- 2,251 Nurse Practitioners<sup>3</sup>

## Sources

1. West Virginia Hospital Association
2. Rural Health Information Hub
3. Kaiser Family Foundation State Health Facts



Date Source(s):  
RHHH, Rural Health Information Hub  
data.HHS.gov  
U.S. Department of Health and Human Services, October 2024  
PPS Hospitals: West Virginia Hospital Association, February 2025

# West Virginia Health Care: Future Expansion at Risk

Today hospitals across West Virginia are investing to expand service to meet the needs of tomorrow:

- Boone Memorial Hospital, partnering with WVU Cancer Institute adding first cancer center in Boone County
- Marshall Health Network
  - Cabell Huntington Hospital constructed a new medical office building to improve patient access
  - Rivers Health invested in a new Emergency Department, family practice in Mason County, and a wound center
  - St. Mary's Medical Center upgraded its Cyber Knife, Cardiac MRI, and expanded infusion services
- Pocahontas Memorial Hospital expanded care through renovations and opening of a Rural Health Clinic
- Vandalia Health
  - Launched 10 telemedicine centers and mobile telemedicine
  - Greenbrier Valley Medical Center unveiled robotics system for orthopedic surgeries - hip and knee replacements
  - Mon Health Marion Neighborhood Hospital added MRI services
- WVU Medicine
  - Announced the construction of a new Cancer Hospital on its main campus in Morgantown
  - Expanded services, capacity, and access at Jackson General Hospital by building a new wing
  - Invested to reopen the Fairmont Medical Center and expand services
  - Programmatic investments at Thomas Hospitals while reopening St. Francis Hospital as an Orthopedic Hospital
  - Launched podiatry, sleep services, a virtual ICU, and cancer services at Grant Memorial Hospital



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# West Virginia Hospital Association: Board of Trustees 2025

Board of Trustees	Hospital
Chair, Ivar “Skip” Gjølberg	President, WVU Medicine St. Joseph’s Hospital
Vice Chair/Treasurer, David Goldberg	President & CEO, Mon Health, and Executive VP, Vandalia Health
Immediate Past Chair, Andrew Weber	Vice President/Administrator, CAMC Women and Children’s Hospital
Doug Bentz	Chief Executive Officer, Roane General Hospital
Karen Bowling	Chief Executive Officer, Princeton Community Hospital
David Brash	Chief Executive Officer, Logan Regional Medical Center
Douglass Harrison	Chief Executive Officer, WVU Medicine Wheeling Hospital
David Hess, MD	President and CEO, WVU Medicine United Hospital Center
Todd Howell	President, Beckley Appalachian Regional Hospital
David Ramsey	President and CEO, Vandalia Health
Heather Sigel	VP Operations, Valley Health Hampshire Memorial and War Memorial Hospitals
Angela Swearingen	Chief Operating Officer, St. Mary’s Medical Center
Virgil Underwood	Chief Executive Officer, Boone Memorial Health
Frank Weber	Chief Executive Officer, Select Specialty Hospital
Stephen Whited	CEO, Minnie Hamilton Health System
Albert Wright	President and CEO, WVU Medicine - WVU Health System
Kevin Yingling, MD	President & CEO, Marshall Health Network



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# Certificate of Need: Regulated Facilities in Surrounding States

Kentucky	Ohio	Pennsylvania	Maryland	Virginia	West Virginia
<ul style="list-style-type: none"> <li>Hospitals.</li> <li>Psychiatric hospitals.</li> <li>Physical rehabilitation hospitals.</li> <li>Chemical dependency programs.</li> <li>Nursing facilities.</li> <li>Nursing homes.</li> <li>Personal care homes.</li> <li>Intermediate care facilities.</li> <li>Family care homes.</li> <li>Outpatient clinics.</li> <li>Ambulatory care facilities.</li> <li>Ambulatory surgical centers.</li> <li>Emergency care centers and services.</li> <li>Ambulance providers.</li> <li>Hospices.</li> <li>Community mental health centers.</li> <li>Home health agencies.</li> <li>Kidney disease treatment centers and hemodialysis units.</li> </ul>	<ul style="list-style-type: none"> <li>Long-term care facilities.</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Hospitals.</li> <li>Limited-service hospitals.</li> <li>Related institutions providing domiciliary, personal or nursing care.</li> <li>Ambulatory surgical facilities.</li> <li>Rehabilitation facilities.</li> <li>Home health agencies.</li> <li>Hospices.</li> <li>Other institutions, services or programs that may be <u>specified to</u> require a Certificate of Need.</li> </ul>	<ul style="list-style-type: none"> <li>General hospitals.</li> <li>Sanitariums.</li> <li>Nursing homes.</li> <li>Intermediate care facilities with exceptions.</li> <li>Extended care facilities.</li> <li>Mental hospitals.</li> <li>Facilities for individuals with developmental disabilities.</li> <li>Psychiatric hospitals and intermediate care facilities for individuals with substance abuse.</li> <li>Specialized centers, clinics or physicians' <u>office</u> developed for the provision of: <ul style="list-style-type: none"> <li>Ambulatory surgery.</li> <li>Cardiac catheterizations.</li> <li>Computed tomographic (CT) scanning.</li> <li>Stereotactic radiosurgery.</li> <li>Lithotripsy.</li> <li>Magnetic resonance imaging (MRI).</li> <li>Magnetic source imaging (MSI).</li> <li>Positron emission tomographic (PET) scanning.</li> <li>Radiation therapy.</li> <li>Stereotactic radiotherapy.</li> <li>Proton beam therapy.</li> <li>Nuclear medicine imaging.</li> <li>Other specialty services.</li> <li>Rehabilitation hospitals.</li> <li>Hospitals.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Public or private facility, agency or entity that offers or provides health services, whether a for-profit or nonprofit entity and whether licensed, or required to be licensed, in whole or in part.</li> </ul>