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Human Resources
Carr. Chair
Gentleman
Slater

JAN 25 1983

SENATE JOINT RESOLUTION 3

BY HOLDEN, TAYLOR, TIEDEN, LURA,
JENSEN, VANDE HOEF, HULSE, HOLT,
DRAKE, GOODWIN, MILLER of Des Moines
and HESTER

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

SENATE JOINT RESOLUTION

1 A Joint Resolution directing the state health facilities
2 council to declare a one-year moratorium on all
3 hospital construction and related preparations.

4 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.J.R. 3

1 WHEREAS, the state of Iowa is experiencing a serious problem
2 in the rise of health care costs which have risen at a rate
3 nearly double that of general inflation; and

4 WHEREAS, the governor's commission on health care costs
5 was established to examine ways of controlling the spiraling
6 health costs; and

7 WHEREAS, the commission found that Iowa's hospital admission
8 rates are significantly higher than the national average for
9 the under sixty-five age group; and

10 WHEREAS, the commission strongly believes that costs can
11 be controlled most effectively by reducing unnecessary
12 hospitalization; and

13 WHEREAS, the commission's evaluation of the certificate
14 of need program found that the program has had limited success
15 in deterring some types of construction; and

16 WHEREAS, the commission called for amendments to the current
17 Iowa certificate of need law; and

18 WHEREAS, construction costs are ultimately added to the
19 daily cost of care which is primarily paid by government
20 insurers through Medicare and Medicaid, or by private insurers
21 such as Blue Cross; and

22 WHEREAS, since the public ultimately pays for the
23 construction through taxes of private insurance, the state
24 has a responsibility to make sure that any major capital
25 project fulfills a public interest and genuine health need;
26 and

27 WHEREAS, the interim joint subcommittee on health care
28 costs has recognized the need to explore ways to reduce the
29 spiraling costs of health care; and

30 WHEREAS, cost analysis should be conducted to test the
31 cost effectiveness of complete rebuilding of a facility as
32 opposed to renovation; NOW THEREFORE,

33 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

34 Section 1. That the general assembly of the state of Iowa
35 direct the state health facilities council to declare a one-

1 year moratorium on all hospital construction, including the
2 acquisition and preparation of building sites, drawing of
3 plans, preliminary drafting, arrangement and preparation for
4 financing, taking of bids, and letting out of contracts as
5 these relate to hospital construction, in order to have
6 adequate time to objectively study and evaluate procedures
7 for reviewing hospital capital projects and to give hospital
8 administrations sufficient time to consider less costly
9 alternatives in order to decide whether or not some projects
10 such as new buildings could be abandoned.

11 EXPLANATION

12 The Joint Resolution directs the state health facilities
13 council which oversees the state certificate of need law to
14 declare a one-year moratorium on all hospital construction
15 which would include the preliminary preparations and planning
16 for the construction. This moratorium is for the purpose
17 of providing adequate time to objectively study and evaluate
18 the procedures for reviewing capital projects and to give
19 the hospital administrations time to consider less costly
20 alternatives or the abandonment of the project.

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