



CERTIFICATE OF NEED

Patrick Ishmael

THE PROBLEM: Missouri's Certificate of Need (CON) law restricts health care competition by requiring many health care providers to get state approval before entering new markets or expanding services offered in existing facilities. This restriction hampers innovative start-ups and market newcomers that would provide Missourians care. It also puts upward pressure on health care prices.

THE SOLUTION: *Repeal the Certificate of Need law.*

Eliminating CON requirements would allow Missourians to benefit from true marketplace competition in the health care arena.

WHO ELSE DOES IT? California, Colorado, Idaho, Indiana, Kansas, New Hampshire, New Mexico, North Dakota, Pennsylvania, South Dakota, Texas, Utah, and Wyoming have no CON law.

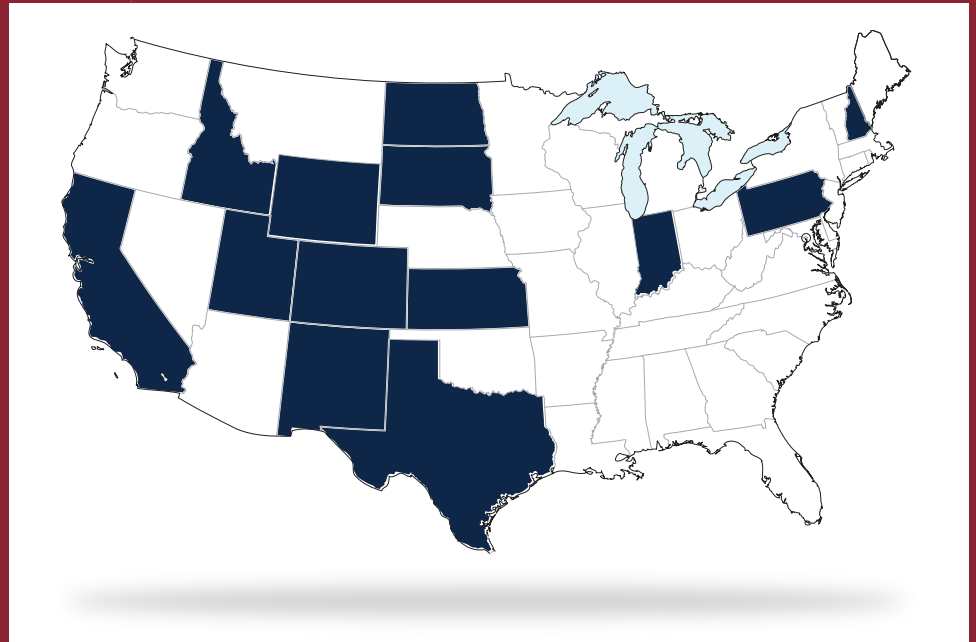
THE OPPORTUNITY: Missouri would join a growing list of states that have opened the door to real health care competition.

KEY POINTS

- CON laws separate patients who need care from doctors who want to provide it.
- More competition would create pressure to reduce health care prices.
- Missouri would be able to compete with nearby states, including Kansas, where smaller hospitals are opening up because they aren't restricted by CON laws.

STATES WITHOUT CERTIFICATE OF NEED LAWS

Thirteen states (blue) have either repealed or declined to enact certificate of need laws.



Source: National Conference of State Legislatures. "CON-Certificate of Need Laws," August 25, 2016.

- CON reform is an opportunity to help communities threatened by the loss of existing hospitals.
- Ending CON would empower patients to make choices that benefit their families, rather than support the government-backed competitive advantages of hospitals.

SHOW-ME INSTITUTE RESOURCES

Essay: "Demand Supply: Why Licensing Reform Matters to Improving American Health Care"

Blog Post: "Missouri's Certificate of Need Law Needs to Go"