



End the Cronyism: Repeal Certificate of Need in Missouri

Published on *Show-Me Institute* (<https://showmeinstitute.org>)



By: *Patrick Ishmael*

The dance card for health care reforms in Missouri is starting to fill up. Last week the state [released a study](#) that looked for ways to improve the state's Medicaid program, and a number of bills have already been filed [to expand short-term medical insurance in the state](#). Both endeavors deserve serious engagement from our policymakers.

But rounding out the card is the important issue of Certificate of Need (CON). CON laws allow governments to prevent medical facilities from opening, expanding or providing certain services should a given activity fall under the oversight of the CON law. Want to open a new hospital or senior center? Considering a new investment in an existing facility? Unfortunately, the state of Missouri might just have the power to stop you.

In the next month or so we'll release a paper that provides greater detail about what CON laws affect, here and around the country, but the argument against such laws can be summarized succinctly:

CON laws subvert the marketplace, replacing consumer health care decisions with those of bureaucrats—whose interests are not always aligned with consumers.

In an environment where health care prices continue to rise, it is bizarre that Missouri would maintain a system that places upward pressure on costs. [Missourians need greater supplies of.](#)

[and greater options for, medical goods and services](#) ; CON laws are an enormous barrier to that objective.

Currently there's a minor constellation of CON repeal bills that have been introduced in the legislature, and it remains to be seen which one will break through and get the most attention. There are also a few bills that would "reform" the CON system, which simply constitute a reshuffling of the law. To put it plainly, you can repaint a car that's a piece of junk, but under that paint job, it's still a piece of junk. And that's what CON laws are: junk. They hurt patients, benefit incumbent providers and disadvantage new market entrants.

Given this [story](#) about a recent hearing on CON repeal, it seems pretty clear that the providers benefiting from the current system would prefer the illusion of reform rather than the real thing. That's understandable—they get an advantage under CON, albeit to the detriment of consumers. But allowing that to continue is wrong for Missouri and for Missourians. Keep it simple: repeal CON. Anything short of that is just window dressing.

About the Author



Patrick Ishmael
Director of Government Accountability

Patrick Ishmael is the director of government accountability at the Show-Me Institute.

Read Online

<https://showmeinstitute.org/blog/health-care/end-cronyism-repeal-certificate-need-missouri>

Links

[1] <https://showmeinstitute.org/blog/health-care/end-cronyism-repeal-certificate-need-missouri>

[2] https://www.stltoday.com/news/local/govt-and-politics/new-report-charts-path-for-massive-overhaul-of-missouri-medicaid/article_447de4bb-3d9c-5706-bb77-81b02282668a.html?utm_medium=social&utm_source=twitter&utm_campaign=user-share

[3] <https://showmeinstitute.org/blog/health-care/short-term-medical-policies-offer-opportunity-get-people-care>

[4] <https://showmeinstitute.org/publication/health-care/demand-supply-why-licensing-reform-matters-improving-american-health-care>

[5] <https://themissouritimes.com/57334/stakeholders-ask-for-fix-to-con-laws-not-repeal-at-public-hearing/>

Mission Statement

Advancing liberty with responsibility by promoting market solutions for Missouri public policy.

Show-Me Institute

5297 Washington Place 3645 Troost Avenue
Saint Louis, MO 63108 Kansas City, MO 64109
Phone: (314) 454-0647 Phone: (816) 287-0370
Fax: (314) 454-0667

Email: info@showmeinstitute.org

Support Our Work

The Show-Me Institute is a tax-exempt 501(c)(3) nonprofit organization. Make your tax deductible contribution today: <http://ShowMeInstitute.org/donate>