



TESTIMONY

January 31, 2023

HOUSE BILL 777: CERTIFICATE OF NEED

By Patrick Ishmael

Testimony before the Missouri House Healthcare Reform Committee

TO THE HONORABLE MEMBERS OF THIS COMMITTEE

Thank you for the opportunity to present this testimony. My name is Patrick Ishmael, and I am the director of government accountability for the Show-Me Institute, a nonprofit, nonpartisan, Missouri-based think tank that supports free-market solutions for state policy. The ideas presented here are my own.

The last three years have been challenging for Missourians and Missouri government. The COVID-19 pandemic disrupted norms, commerce, and lives in historic and unprecedented ways, and to their credit, state policymakers swiftly began reassessing how the state could revise its health care laws and regulations in 2020 to maximize access to care for patients.

For our part, the Show-Me Institute issued a five-pronged proposal to better liberate health care provider and service supply to Missourians.

Among those recommendations was an idea that we've talked and written about many times before: the repeal of certificate of need (CON) in the state.

It wasn't the first time we've talked about the issue, either. In 2019, we made our position explicit in our paper, *End Certificate of Need in Missouri*,¹ wherein we covered the history of CON programs in the US, looked at what researchers had found in CON programs around the country, and reviewed how CON worked and what it applied to in Missouri. As the title suggests, our conclusions and solution were straightforward. I am including a copy of the report with this testimony.

House Bill 777 represents modest progress along this path to ensure that the market, and not special interests, dictate where health care

¹ Ishmael, Patrick. *End Certificate of Need in Missouri*. Show-Me Institute, April 2019. https://showmeinstitute.org/wp-content/uploads/2019/05/20190405%20-%20Certificate%20of%20Need%20-%20Ishmael_0.pdf

services can be built, installed, or upgraded. As many states have already concluded for themselves, Missouri would be better off without imposition of certificate of need requirements on its health care providers.

Rather than taking incremental steps toward CON abolishment, I would prefer that the legislature simply let the market for health care services meet the needs of Missourians like every other market tends to successfully do. Policymakers should simply repeal CON. That said, HB 777 is a step in the right direction and deserves serious consideration as part of the overall CON abolishment process.



5297 Washington Place · Saint Louis, MO 63108 · 314-454-0647
1520 Clay Street · Suite B-6 · North Kansas City, MO 64116 · 816-561-1777

Visit us:
showmeinstitute.org

Find us on Facebook:
Show-Me Institute

Follow us on Twitter:
@showme

Watch us on YouTube:
Show-Me Institute