



# TESTIMONY

January 30, 2024

## SENATE BILL 789

*By David Stokes*

**Testimony before the Missouri Senate Commerce, Consumer Protection, Energy and the Environment Committee**

### **TO THE HONORABLE MEMBERS OF THIS COMMITTEE**

My name is David Stokes and I am director of municipal policy at the Show-Me Institute. The Show-Me Institute is a nonprofit, nonpartisan Missouri-based think tank that supports free-market solutions for state and local policy. The ideas presented are my own. Thank you for this opportunity to testify.

Senate Bill 789 (SB 789) improperly involves the State of Missouri in the proposed sale of a hospital system in Liberty, Missouri. This bill requires that voters approve the sale of hospitals by independent hospital districts only when the proposed purchaser is an out-of-state higher education system. In this particular case, the University of Kansas Health System (KUHS) has proposed to purchase the Liberty, Missouri, hospital.

According to U.S. News and World Report rankings, KUHS is ranked as the number one hospital system in Kansas and the number one system in the Kansas City metropolitan area.<sup>1</sup> In my opinion, Missouri should be thankful that KUHS hopes to expand into Missouri and operate the Liberty hospital for the benefit of Clay County residents. This change should be celebrated, not opposed. We need more free market solutions for health care, including the ability of systems to merge, sell, and purchase. Artificial limitations on hospital mergers or sales, particularly those targeted at one very specific case (out-of-state universities), would be harmful to healthcare in Missouri. It would also be an unnecessary impediment to the transfer of goods and services across state lines.

If the legislature would like to improve access to health care in Missouri, the best change would

<sup>1</sup>U.S. News and World Report, "Best Hospital Rankings," 2023, <https://health.usnews.com/best-hospitals/area/ks/university-of-kansas-hospital-6670510>.

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be to repeal certificate of need (CON) laws in our state. CON laws ensure that entrenched interests, not markets, dictate where health care facilities can be built, installed, or upgraded. As many states and the federal government have already concluded for themselves, Missouri would be better off without the imposition of CON requirements on its health care providers.

By taking steps toward abolishing CON requirements, the legislature would let the market for health care services meet the needs of Missourians like every other market tends to do successfully. Policymakers should simply repeal CON in Missouri.

SB 789 moves Missouri healthcare in the wrong direction. Thank you for the opportunity to testify today.



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