

HB 432 -- CERTIFICATE OF NEED

SPONSOR: Wright

COMMITTEE ACTION: Voted "do pass" by the Committee on Health Care Policy by a vote of 8 to 6.

This bill limits the application of the Certificate of Need Law to long-term care facilities. Currently, it covers health care facilities. The change is effective January 1, 2004.

FISCAL NOTE: Estimated Net Cost to General Revenue of \$126,000 in FY 2004, FY 2005, and FY 2006.

PROPOSERS: Supporters say that in 1974, the federal government mandated the establishment of certificate of need laws in an effort to control health care expenditures and to ensure that health care resources were used efficiently and distributed fairly. The effects of the Missouri law have been increased capital expenditure costs, limited competition, and the relocation of health care providers to other non-certificate of need states. The certificate of need process is very time consuming and results in numerous compliance standards, costly litigation, and limited patient choice. In order to increase patient choice and to prevent additional health care providers from leaving Missouri, the law as it applies to health care facilities should be repealed.

Testifying for the bill were Representative Wright; Philip M. Willcoxson, Chief Executive Officer, Freeman Neosho Hospital; Robert J. Cimasi, President, Health Capital Consultants; Nancy Seelen, Vice President, Public Affairs, St. Luke's Health System of Kansas City; John Hennessy, Executive Director, Kansas City Cancer Centers; Paul Kerens, Senior Executive Officer, Kansas City Orthopedic Institute; Jeffery W. Bush, President, Popular Bluff Medical Partners; St. John's Regional Medical Center of Joplin, Missouri; and Missouri State Medical Association.

OPPOSERS: Those who oppose the bill say that since the operation of the health care market is based on the dissemination of incomplete information and data, some form of government oversight is needed. If the law is revised or repealed, cost control mechanisms and quality of care requirements would be affected, resulting in increased health care costs, decreased quality of care for patients, and increased duplication of services. Integrity is maintained throughout the certificate of need process and members of the review committee carefully review application documents. If the law is revised or repealed, the public welfare of Missouri citizens could be affected and the erosion of wages for health care workers in Missouri could occur.

Testifying against the bill were Missouri Hospital Association; BJC Health Care; St. Louis Area Business and Health Coalition; Associated Industries of Missouri; Carondelet Health Systems of Kansas City; Missouri Health Care Facilities Review Committee; and Health Midwest.

Joseph Deering, Legislative Analyst