

HCS HB 466 -- CERTIFICATE OF NEED

SPONSOR: Schaaf

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Healthcare Facilities by a vote of 7 to 1.

This substitute defines "long-term care facilities" as it relates to the Certificate of Need Program and limits application of certificate of need requirements to long-term care facilities. Currently, certificate of need requirements apply to a broader range of health care facilities, including hospitals and long-term care facilities.

The substitute also changes the designation of residential care facility I to assisted living facility and residential care facility II to residential care facility.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Less than \$425,938 in FY 2008, FY 2009, and FY 2010. No impact on Other State Funds in FY 2008, FY 2009, and FY 2010.

PROPOSERS: Supporters say that the Certificate of Need Program has failed to lower healthcare costs, is anti-competitive, is a barrier to healthcare innovation, reduces patient access and choice, hasn't improved healthcare quality, is inefficient, hurts Missouri's economy, and doesn't provide a free market. The program has outlived its usefulness, and 14 states have repealed it with no evidence of any negative impact.

Testifying for the bill were Representative Schaaf; Robert Cimasi; Missouri State Medical Association; Missouri First; and Missouri Association of Osteopathic Physicians and Surgeons.

OPPOSERS: Those who oppose the bill say that the program does not limit market innovation, allows specialization within a hospital system, provides a useful inventory of services, ensures accountability, promotes planning, and protects the community. Eliminating the program won't create a free market for healthcare. Without it, providers can be selective in choosing patients and procedures, and patients can be steered to one facility over another. Repealing the program can promote growth of physician-owned specialty hospitals.

Testifying against the bill were Missouri Hospital Association; St. Louis Area Business Health Coalition; Ford Motor Company; BJC HealthCare; Hospital Corporation of America; and Thomas Piper.