

HB 1806 -- CERTIFICATE OF NEED

SPONSOR: Schaaf

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Healthcare Transformation by a vote of 5 to 1 with 1 present.

This bill 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 bill 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 \$247,000 in FY 2009, FY 2010, and FY 2011. No impact on Other State Funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that the Certificate of Need Program reduces competition in the health care market, is a failed policy planning tool, can create monopolies and oligopolies, does not reduce health care costs, impairs access to health care, and prevents patient choice. The program has outlived its usefulness, and 14 states have already repealed it.

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

OPPONENTS: Those who oppose the bill say that eliminating the Certificate of Need Program will increase health care costs and could result in less-efficient use of major medical equipment. The program prevents duplication of services, saves the state money, provides oversight and public input on health care decisions, and does not reduce innovation.

Testifying against the bill were St. Louis Area Business Health Coalition; Missouri Health Facilities Review Committee, Department of Health and Senior Services; Missouri Hospital Association; Ford Motor Company; BJC Healthcare; Hospital Corporation of America; and Associated Industries of Missouri.