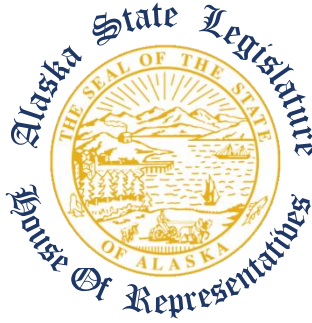


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## **House Bill 35**

### **Sponsor Statement**

*“An Act relating to the certificate of need program for health care facilities; and providing for an effective date.”*

House Bill 35 repeals the Certificate of Need Program in Alaska and provides for an effective date of July 1, 2024.

The Certificate of Need program was first mandated by the Federal Government in 1974 and, in 1987, was repealed federally. Thirteen states have since repealed the program at the state level and House Bill 35 intends to make Alaska the next.

Certificate of Need Programs were intended to reduce health care costs, improve access to care, and regulate and limit the entry and supply of medical services and facilities. However, healthcare systems have evolved from a fee-for-service system, which lacked an incentive to lower prices, to a prospective payment system today.

Certificate of Need laws over the last 40-plus years have stifled competition, created a new barrier to new health care facilities and care for health care consumers, and prevented the free-market forces which improve the quality and lower the cost of health care.

Alaska’s Certificate of Need Program poses a substantial threat to the proper performance of healthcare markets and services. I appreciate your support for the passage of House Bill 35.

If you have additional questions, please contact Ryan McKee in my office at 907-465-4859.