

ALASKA STATE LEGISLATURE

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SPONSOR STATEMENT

SB 8 - REPEAL CERTIFICATE OF NEED PROGRAM

Senate Bill 8 repeals Alaska's certificate of need (CON) program and provides for a three-year delayed implementation date before the repeal becomes effective.

The certificate of need programs was first mandated nationally by the federal government in 1974. Since the mandate was repealed by the Federal Government in 1987, thirty-five states operate some form of a certificate of need program, three states do not officially operate a certificate of need program but maintain an approval process similar to a CON, and twelve states have fully repealed their CON laws.

Certificate of need programs were originally intended to restrain healthcare costs and improve access to care for the poor and the underserved populations. CON laws regulate and limit the entry and supply of medical services and facilities, which has resulted in fewer incentives for providers to improve quality and outcomes.

Four decades of data and studies show CON laws have not controlled costs, improved quality and outcomes, or increased access to healthcare for the poor or underserved. CON laws have established healthcare monopolies, which has resulted in barriers to new or expanded medical facilities and limited healthcare choices for consumers.

Studies have shown that a well-functioning healthcare market improves access, quality, outcomes, incentivizes innovation from new entrants, and lowers the costs of healthcare services for consumers. Repealing our certificate of need program would benefit Alaskans by enabling competition in the healthcare markets.

The healthcare industry is evolving, and Alaskans deserve a choice in their healthcare. Our current closed system has created monopolies in the delivery of healthcare services and enabled providers to charge Alaskans the highest healthcare costs in the world.

The repeal of Alaska's CON laws will allow Alaskans to enjoy the benefits of choice and competition when it comes to healthcare.

I respectfully ask for your support!