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On Behalf Of:

Committee: House Committee On Behavioral Health and Health Care

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Oregon Should Get Rid of Certificate of Need Laws

Oregon requires healthcare providers to get a "Certificate of Need" before they open or expand certain facilities like hospitals or nursing homes. This is supposed to lower costs and improve quality. But research shows these laws do the opposite.

These laws require healthcare providers to prove there is a "need" for more services before expanding. The idea is to prevent too much competition which could raise costs. But limiting competition does not lower prices - it raises them. Providers have no reason to keep costs down if there are no competitors. Studies find healthcare costs are 11% higher in states with Certificate of Need laws.

Preventing new healthcare facilities also limits access for patients. There are long waiting lists for nursing home beds in Oregon, especially in rural areas. If we got rid of Certificate of Need, more providers could open nursing homes to meet the demand. This would give patients and families more choice.

Healthcare is already highly regulated when it comes to safety and quality standards. We do not need more bureaucracy and red tape making it hard to open new clinics, surgery centers, or imaging facilities. More competition will force providers to improve quality and service to attract more patients.

Many states have already realized that Certificate of Need laws do more harm than good. According to the National Conference of State Legislatures, as of 2022, 12 states have fully repealed their CON programs or allowed the program to expire. New Hampshire was the most recent state to repeal its CON program in 2016. Oregon should be the next state to repeal its CON laws.

It's time for Oregon lawmakers to help patients and providers by eliminating Certificate of Need. This would allow the free market to expand services, increase choices, lower costs, and improve quality. Oregonians deserve an affordable, high-quality healthcare system that serves their needs - not more government control. Getting rid of these outdated laws is a good place to start.