



April 29, 2020

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of millions of taxpayers and consumers across the United States, we the undersigned 22 organizations strongly urge you to support the “Increasing Hospital Capacity to Fight the Coronavirus Act of 2020,” introduced by Rep. Dan Bishop (R-N.C.) and co-sponsored by Rep. Jim Banks (R-Ind.) and Rep. Ted Budd (R-N.C.). This much-needed legislation would ensure states are not penalized for necessary capital expenditures that fall outside of Certificate Of Need (CON) laws which force hospitals to seek bureaucrats’ permission to expand their facilities and provide new services to patients. CON laws have led to fewer hospital beds and higher prices for patients, leading to lower quality, less affordable care at a time when the healthcare system is struggling to contain the Coronavirus. Healthcare facilities are doing all they can to help patients and their families cope with the deadly disease, and this legislation would give hospitals the green light to expand operations and treat more patients. Now more than ever we need to urgently expand our healthcare system and increase frontline support, and this legislation will do exactly that.

Over the past few decades, CON laws have proliferated across the country. These misguided regulations restrict options for patients and result in fewer life-saving treatments available to the people who need them the most. According to research by Mercatus Center scholars Dr. Thomas Stratmann and Jake Russ, states with CON restrictions have on average 99 fewer hospital beds per 100,000 people than states without these onerous rules. Studies on facilities and services ranging from hospice care to dialysis clinics to medical imaging services find that CON laws rarely fail to hamper care for vulnerable populations and bring no tangible efforts whatsoever.

The worst public health crisis in our lifetimes is exposing further flaws in this failed regulatory system and states have little choice but to suspend these needless rules. States such as Maryland have put in place temporary, expedited approval processes for healthcare facilities trying to serve as many patients as possible. Mercy Medical Center in Baltimore, MD, for instance, recently received rapid approval to construct another hospital floor to accommodate new Coronavirus patients. On March 25, Vermont’s Green Mountain Care Board announced procedures for emergency CON approvals in place until April 15. But states are afraid of repealing these restrictions outright due to existing federal law which ties Medicare and Medicaid funding for states to the continued implementation of CON laws. As a result of these strict stipulations, states can and will continue to proceed with caution in repealing rules that are harming patients and driving up the cost of care.

The “Increasing Hospital Capacity to Fight the Coronavirus Act of 2020” would solve this pressing problem by eliminating the federal funding penalty for states trying to expand their healthcare capacity and increase options for patients. No one piece of legislation will prove a panacea for pandemic preparation and response efforts, but repealing needless CON laws is a good place to start. There is no rational reason for the federal government to continue to put up roadblocks which prevent hospitals from increasing coverage and services to the critically ill. In the interests of the tens of thousands of Americans who are currently suffering from, or may suffer from, the devastating effects of COVID-19, we strongly urge you to support the “Increasing Hospital Capacity to Fight the Coronavirus Act of 2020.” Passing





this legislation will lead to a stronger healthcare system better equipped to deal with this and future medical crises and save countless lives.

Sincerely,

Tim Andrews
Executive Director
Taxpayers Protection Alliance

James Taylor
President
The Heartland Institute

Steve Pociask
President / CEO
The American Consumer Institute

Andrew Langer
President
Institute for Liberty

Will Swaim
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