

The Wilson Times

Certificate of need laws could harm COVID-19 patients

Editorial Board

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As COVID-19 cases mushroom, state officials have suspended a rule that would have prevented North Carolina hospitals from adding beds.

The N.C. Department of Health and Human Services announced March 12 it would waive the regulation “to allow the hospital(s) to provide temporary shelter and temporary services to adequately care for patients that may be stricken by COVID-19,” the John Locke Foundation’s Carolina Journal newspaper reported.

Health and Human Services Secretary Mandy Cohen made a wise and prudent decision to lift the cap on new beds. It’s mystifying that the limit exists at all. For that, you have state lawmakers to thank.

North Carolina is one of 35 states with certificate of need laws that prevent health care facilities from setting up shop or adding equipment and services unless they obtain a government permission slip. Regulating the number of beds a hospital can provide is part of that framework.

The laws are meant to ensure medical investments meet communities’ needs and aren’t redundant, but they stifle competition and innovation and create monopolies, driving up health care costs for patients and insurers.

Hospitals tangled in red tape aren’t nimble enough to marshal the resources it will take to treat COVID-19 patients if the pandemic spreads too fast, explained Jeffrey Singer, a surgeon and a senior fellow at the Cato Institute, a libertarian think tank that opposes certificate of need laws.

“If it’s a major outbreak, this could be disastrous,” Singer told the Carolina Journal. “A whole lot of people could be unable to be treated. We could have a whole lot of unnecessary deaths.”

Arguments for single-payer health care often center on the inflated prices we pay for doctor visits, hospitalization, medical tests and prescription drugs. Supporters of a government-run system say the free market has failed — yet it hasn’t truly been tried. Overregulation raises health care costs.

Hospitals lobby for laws that protect their business from too much competition. Trade groups and government collude to carve out monopolies and stick you with the bill. That's crony capitalism, not free enterprise.

Dr. Gajendra Singh, a Winston-Salem general surgeon, is suing the Department of Health and Human Services in an attempt to have state certificate of need laws struck down. Singh opened a medical imaging center to provide low-cost ultrasounds, MRIs and CT scans, but the state denied his application to install a fixed MRI machine.

The average North Carolina patient pays roughly \$2,000 for an MRI scan. Singh's Forsyth Imaging Center charges \$500 to \$700, but it's limited to offering the service two days a week with the use of a mobile MRI machine, which doesn't require the same ridiculous permit.

Singh filed his civil complaint in the summer of 2018. Last November, a judge rejected a motion to dismiss his case, green-lighting the good doctor's quest to dismantle the repressive CON cartel.

This editorial page has supported Singh's mission, calling CON laws "antiquated, anticompetitive and anti-patient." It's with grave concern that we add "potentially deadly" to the list.

American hospitals have roughly 45,000 intensive care unit beds, but a moderate coronavirus outbreak could require 200,000 beds in the nation's ICUs, the Johns Hopkins Center for Health Security says. If the outbreak is severe, the demand for intensive care beds could top 1 million.

Quadrupling the number of available beds would be a tall order under the best of circumstances, but with more than half of states maintaining CON laws, it's impossible.

State Sen. Joyce Krawiec, R-Forsyth, says the COVID-19 crisis shows certificate of need regulations to be a bureaucratic boondoggle.

"If we had a big outbreak and people needed hospitalization, this could be a real problem," Krawiec told the Carolina Journal. "This shows how onerous — and how dangerous — those CON laws could be."

Public health officials are urging people to practice personal hygiene, wash their hands frequently, maintain a 6-foot "social distancing" barrier between themselves and others and avoid large crowds in order to slow the virus' spread.

That's good advice we should all follow, though staying home and remaining well-scrubbed seems passive. People feel powerless against a faceless, invisible adversary like a virus.

There's at least one concrete step you can take to fight this pandemic: Call or email your state lawmakers and ask them to can the CON laws.