

## State Doesn't Need Certificates of Need

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Story By Dashle Gunn Kelley

As Election Day approaches, politicians continue to spout more and more quick fixes to the current health care problems. Different candidates have different proposals, but all the plans involve the government wielding its power for the supposed benefit of everyone. What is ignored is the bounteous force that is business competition.

A business must supply consumers with products or services at a price they are willing to pay. If a business does not do this, it fails. When any businesses compete for consumers, the businesses must use a variety of tactics -- such as lower prices better service, better quality products, and flashy advertisement campaigns -- to attract consumers. In the end, consumers benefit from businesses trying to encourage them to spend money with their business and not others.

Health care is no different. A doctor (the business) supplies patients (the consumers) with health care. These patients choose a doctor based on a variety of reasons. So if health care is a business, why is the health care system so messy? The answer is government regulation.

More government involvement is the central theme of politicians' health care solutions. Despite hopes that the government can solve the problems, state governments already are failing to do so. There is little mention that the government already is very involved in the health care system and is a cause of many of the current problems.

There is not a state in the country that does not regulate prices. State government regulation is not working, so it is unclear how a national solution, based on similar principles as the different failing state programs, would help.

All states limit competition with price controls, but some states place further limitations on the health care market. West Virginia is one of these states. In West Virginia's health care system, competition not only is lacking, it is discouraged. Currently, any doctor or health care provider must acquire a Certificate of Need from the West Virginia Health Care Authority prior to expanding services, offering new services, acquiring new equipment valued at more than \$2 million or building new or expanding health care facilities valued at more than \$2 million.

If the West Virginia Health Care Authority determines an area does not need a service or the expansion of a service, it cannot be provided. This regulation is clearly anticompetitive, and it is not surprising that one of the goals of the Certificate of Need program is to prevent duplication of services. Of course, the marketplace, through profits and losses, has its own Certificate of Need that prevents unnecessary duplication of services by responding to the demands of the health care purchasing public.

A perfect example of competition improving health care is Lasik eye surgery. Being a relatively new surgery and one that few insurance policies cover, Lasik surgery has fewer regulations and more price-conscious consumers. Knowing that a client has a variety of doctors from which to choose, a doctor will work hard to please the client. According to a Harris Interactive survey, Lasik surgery has an 85 percent satisfactory rating, one of the highest of any surgery. Not only are patients satisfied, but the price has dropped more than 30 percent since 1997 with more than 3 million people having undergone the operation. Not many (if any) medical procedures can claim that.

Many people claim that health care is too important to leave to the free market. Although health care can be life or death, other very important goods are left to the forces of capitalism yet are very easy to obtain at reasonable prices.

Food, gasoline and clothes are important but easy to acquire cheaply. The reason for this is competition. There are endless options for food at the grocery store, different stations to buy gasoline and numerous stores at which to buy clothes. The government did not mandate all these stores provide us with these goods. These stores supply us with these goods because we strongly desire their products.

Duplication of services is the least of a patient's concerns. Competition encourages lower prices and better care as patients can choose from doctors they want. We are fortunate the government does not expand its Certificate of Need program and price controls to other important areas of our lives. It does not matter how many gasoline stations

are on the corner, just that there is quality gasoline available at a cheap price.

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