



# M7 Discussion: Health Policy

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Is certificate-of-need (CON) regulation effective in controlling healthcare expenditures? Provide a background/history of CON, discuss its effectiveness in controlling costs, and provide at least one example.

- Make sure to provide a compelling argument supported by the outside research.
- The textbook is a guide; you should be researching and reading current articles.
- Introduce the topic, provide one to three main ideas, and support them. Conclude with your recommendations/thoughts/ideas. At the end of each chapter, you will find good articles/references; use them as you see fit.
- Make sure to respond to at least 2 questions, both might be to your peers' postings or one to my question and the second to your peers' post with meaningful content. You may want to research your peers' information further in support of their posts or opposing their views.
- Provide references for your sources.

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## M7 Discussion - Annette

Annette Batich posted Jul 13, 2025 6:13 PM [★ Subscribed](#)

Certificate-of-Need (CON) regulation began in post-World War II health expansion and crystallized with the National Health Planning and Resources

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## M7

Veronica Santos posted Jul 13, 2025 5:49 PM [★ Subscribe](#)

Certificate-of-need (CON) regulation's purpose is to attempt to control expanding of health facilities by requiring proof there is a need for the community to have additional services (Shi & Singh, 2022). By the 1980s CON regulation was adapted

in most states and its goal is to keep healthcare costs low by eliminating unnecessary duplication and expansion of healthcare facilities by requiring approval of the expansion of these facilities to improve quality and access of care by preventing unfair healthcare practices like cream skinning (choosing lower risk patients over those at higher risk) (Bailey & Conover, 2020). CON regulations have an effectiveness on healthcare costs as it prevents excess expansion and building of health facilities in areas in which do not need them and in turn saving money on costs. It prevents facilities from picking and choosing locations based on greed, but the regulations do come with negatives as it costs a lot to implement in the enacted states and it can limit access to health facilities in certain areas.

Conover, C. J., & Bailey, J. (2020). Certificate of need laws: a systematic review and cost-effectiveness analysis. *BMC health services research*, 20(1), 748. <https://doi.org/10.1186/s12913-020-05563-1>

Shi, L., & Singh, D. A. (2022). *Delivering health care in America : A systems*

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## Discussion 7- Health Policy

Katie Warriner posted Jul 13, 2025 10:54 AM [★ Subscribe](#)

Certificate of need is an attempt by the state government to control capital of health facilities. They approve or deny the need for a facility to expand, they work to better the facility based off the community need. (Shi, 2022) There are certain criteria you need to meet when you submit your application for CON, they include but are not limited to the population demographics to the area, service utilization patterns, the plan to service Medicaid beneficiaries and the uninsured and the impact on existing providers. (RPC, 2022) They work with nursing home facilities to restrict the supply of nursing home beds. This means they help to control the number of nursing homes in the area so that there isn't an over flow of facilities that over charge for the services they offer. They are Medicaid and Medicare paid facilities that control the reimbursement rate in the facility. (Rahman, 2015) This is a good thing for our communities because they provide jobs for people and they offer beds to people who need them. If a city or town had too many nursing homes or skilled nursing facilities then we would have a surplus of beds and they would be empty. When beds remain empty they are not bringing in a profit for the facility. If the facility isn't making a profit then they can't pay their workers, and the domino affect occurs. The CON is a good thing to have to keep a system to checks and balances in place for health care facilities to make sure that people can keep their jobs and that patients can get the care that they deserve at the level they deserve.

reference:

Research and Planning Consultants, 2022, New York Certificate of Need Program, <https://rpcconsulting.com/certificate-of-need/new-york/>

Shi L., Singh A. D., 2022, Delivering Health Care in America, A Systems Approach, Jones and Bartlett Publishing, Eighth Edition

Rahman M., Galarraga O., Zinn S. J., Grabowski C. D., More V., 2015, The Impact of Certificate-of-Need Laws on Nursing Home and Home Health Care Expenditures, National Library of

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## Health Policy - Renee Demorest

Renee Demorest posted Jul 7, 2025 9:32 PM [★ Subscribe](#)

The Certificate of Need (CON) program is a regulatory process that certain states use to control the growth of healthcare facilities and services. The goal is to prevent unnecessary duplication of services and ensure that new developments in healthcare meet the community's needs (Shi & Singh, 2022). CON laws require healthcare providers to obtain state approval before making major capital investments such as building new hospitals, expanding services, or purchasing expensive equipment.

The concept of CON originated with the federal National Health Planning and Resources Development Act of 1974 (D-MA, 2025), which mandated that states implement CON programs to receive federal funding. The law was based on the

idea that excessive investment in healthcare infrastructure would drive up healthcare costs without improving patient outcomes. In 1987, the federal government repealed the mandate, allowing states to decide whether to continue their CON programs. Over 30 states still maintain some form of CON regulations (National Conference of State Legislatures, 2024).

There are pros and cons of the CON. Supporters argue that it helps control costs by preventing overbuilding, which can lead to excess capacity and higher healthcare spending. It also protects rural and underserved hospitals from being undercut by new, privately funded facilities that may pick and choose the profitable services they want. By maintaining a balance in the healthcare market, CON laws are believed to promote more efficient use of healthcare resources. Critics of the CON laws say that the CON laws can have the opposite effect by limiting competition and innovation. Research has shown that states with CON programs may have higher healthcare costs due to restricted market entry and reduced patient choice (Liang & Lindsey, 2024). Some argue that CON laws can delay necessary expansions and prevent timely access to care.

Florida repealed most of its CON laws in 2019, arguing that the regulations limit access and drive up costs. Before the repeal, providers needed CON approval for new hospitals and specific services like intensive care and surgery centers. After the repeal, new hospitals and ambulatory surgical centers began to open more freely. Supporters of the repeal claimed this would increase competition and reduce costs, especially in underserved areas. However, critics worried that the growth could lead to market oversaturation and hurt small rural hospitals (Buchanan, 2019).

CON regulations were established to reduce healthcare costs through planned growth and limited duplication. These laws may help in certain areas of healthcare,

such as protecting the underserved or rural areas from losing essential services, but their cost control efforts remain highly debated. When states look into different reform efforts, they should consider the economic and patient care effects of these regulations before making changes either way.

Buchanan. (2019, July 3). *Why the "CON" Law Repeal Is Groundbreaking for Florida Hospitals*. Buchanan Ingersoll & Rooney PC. <https://www.bipc.com/why-the-con-law-repeal-is-groundbreaking-for-florida-hospitals>

D-MA, E. M. (2025). *Text - S.2994 - 93rd Congress (1973-1974): National Health Planning and Resources Development Act of 1974*. Congress.gov. <https://www.congress.gov/bill/93rd-congress/senate-bill/2994/text>

Liang, A., & Lindsey, J. L. (2024). Examining the Impact of Certificate of Need Laws on the Utilization and Reimbursement of Cataract Surgeries Among Medicare Beneficiaries. *Journal of Health Economics and Outcomes Research*, 11(2). <https://doi.org/10.36469/001c.121618>

National Conference of State Legislatures. (2024, February 26). *Certificate of need state laws*. Wwww.ncsl.org. <https://www.ncsl.org/health/certificate-of-need-state-laws>

Shi, L., & Singh, D. A. (2022). *Delivering health care in america: A systems approach* (8th ed.). Jones & Bartlett Learning.

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