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## President weighs in on health-care proposal

By Shannon McCaffrey  
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**ATLANTA** - The Bush administration on Friday urged Georgia lawmakers to scrap a complex set of regulations that control how hospitals and some other medical facilities are built and expanded in the state and move instead to a free-market approach.

A Justice Department lawyer said the state's certificate of need regulations "harm consumers."

"They undercut consumer choice, weaken markets ability to contain health-care costs and stifle innovation," Mark Botti, a section chief in Justice Department's Antitrust Division said.

Botti appeared before a joint Senate and House Human Services Committee, along with two other opponents of the regulations.

Georgia's certificate of need regulations control the ability of health-care facilities to expand and offer some services. Under the current system, hospitals must show that there is a need for their services before they expand or set up shop.

Doctors want to eliminate the regulations, which would pave the way for them to open their own moneymaking imaging and ambulatory surgical centers. Hospitals say while the regulations should be streamlined, they need to remain intact. They worry that the freestanding centers would cherry pick lucrative services and well-insured patients that help hospitals offset costs of caring for the uninsured.

Thursday, legislation was filed - backed by Republican Gov. Sonny Perdue - that would remove some regulations but keep others in place. Some Republicans want to go farther than that and repeal certificate of need completely.

Botti handed them ammunition on Friday, saying the repeal of the laws "would make your market work better."

He said a federal study by the Justice Department and the Federal Trade Commission found no evidence that the repeal of certificate of need laws in other states had damaged health care delivery. Instead they had worked to keep costs artificially high by not allowing for more competition, the study found.

Botti said he was in Georgia in his official capacity with the Justice Department.

Hospital officials warned that a complete repeal of the laws would be disastrous for the state's most fragile hospitals, which would be left caring for the poorest patients.

"Forty percent of our population is either on Medicaid, PeachCare, is uninsured or indigent," Earl Rogers, a senior vice president with the Georgia Hospital Association, said.

The Perdue bill would exempt ambulatory surgical centers from certificate of need regulations but would mandate that they provide a prescribed amount of indigent care.

Botti questioned whether that was the right approach calling it "essentially a tax on a business."