

2025 Kentucky General Assembly

KENTUCKY'S CERTIFICATE OF NEED LAW

Modernizing and Updating the Process to Ensure Access and Lower Costs

OPPORTUNITY TO IMPROVE THE BUSINESS CLIMATE

Kentucky's Certificate of Need (CON) law helps assure citizens across the Commonwealth can access care when needed. The CON law ensures safety net hospitals can continue to provide care for the underserved and that there is a fair playing field for competition. Healthcare does not operate in a free market. The federal government largely dictates health care pricing in Kentucky because Medicare or Medicaid covers 70-80% of patients in Kentucky hospitals. Neither Medicare nor Medicaid covers the full cost of services provided to patients leaving the hospital to absorb the remaining expenses.

According to a study performed by the healthcare consulting firm Ascendient, Kentucky's costs are lower than states without CON laws, including Ohio and Indiana.

In addition, the federal Emergency Medical Treatment and Labor Act (EMTALA) requires hospitals to see and treat anyone who comes into the Emergency Department regardless of their ability to pay. Only hospitals with emergency departments are required to follow this law. Other providers like Ambulatory Surgery Centers or Imaging Centers can be selective (cherry-pick) patients with commercial payors. Thirty-five states, including Kentucky, maintain a CON law that PREVENTS CHERRY-PICKING of certain profitable services by non-hospital health care providers.

APPROACH TO TACKLE THE ISSUE

High-quality, accessible child care and early childhood education is critical to workforce participation, building a more inclusive economy, and putting children on a pathway to future success.

The Northern Kentucky Chamber will support efforts to modernize the Certificate of Need process, including:

- Streamlining the application/review process.
- Continuing to conduct annual reviews of the State Health Plan to modernize regulations.
- Ask that KY assures:
- All new health facilities are required to accept all patients regardless of ability to pay.
- There is a mechanism to ensure this occurs.
- An alternative funding source for safety net providers is in place.

WHY DOES IT MATTER TO MY BUSINESS

Hospitals and healthcare providers are integral to the community, supporting businesses' healthcare needs and assuring a healthy community and workforce. Policy changes that negatively affect existing providers will impact residents' access and increase employers' costs. There is a shortage of healthcare personnel, so new providers in a region will work to recruit existing staff, and existing providers will attempt to keep them. Ultimately, jobs will not be added but shifted at a higher cost borne by the commercially insured participating in the workforce.

WHAT WE ARE ASKING AN ELECTED OFFICIAL TO DO

- Review legislation introduced to prevent a negative impact on safety net providers and their patients.
- Ensure that legislation does not dilute continued access for all community members.
- Oppose efforts to fully repeal the CON law which could have unintended consequences.