

From: Kinnard, Meg <mkinnard@ap.org>

To: Adams, ChaneyChaneyAdams@gov.sc.gov

Date: 1/11/2016 2:35:30 PM

Subject: FW: DEPARTMENT OF JUSTICE AND FEDERAL TRADE COMMISSION
SUPPORT REFORM OF SOUTH CAROLINA LAWS THAT CURB COMPETITION,
LIMIT CONSUMER CHOICE AND STIFLE INNOVATION FOR HEALTH CARE
SERVICES

Attachments: SC CON Letter to Governor Haley.pdf

Hi Chaney, I'm writing up something very short on this before 5pm today. If you guys have any statement you'd like to send along in reply to this development, please let me know, and thank you!

MK

From: USDOJ-Office of Public Affairs (SMO) [<mailto:USDOJ-Office.of.Public.Affairs@usdoj.gov>]

Sent: Monday, January 11, 2016 2:02 PM

To: USDOJ-Office of Public Affairs (SMO)

Subject: DEPARTMENT OF JUSTICE AND FEDERAL TRADE COMMISSION SUPPORT REFORM OF SOUTH CAROLINA LAWS
THAT CURB COMPETITION, LIMIT CONSUMER CHOICE AND STIFLE INNOVATION FOR HEALTH CARE SERVICES

Note: The letter is attached as a PDF file.



Department of Justice

FOR IMMEDIATE RELEASE

MONDAY, JANUARY 11, 2016

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(202) 514-2007

TTY (866) 544-5309

**DEPARTMENT OF JUSTICE AND FEDERAL TRADE COMMISSION SUPPORT REFORM OF
SOUTH CAROLINA LAWS
THAT CURB COMPETITION, LIMIT CONSUMER CHOICE AND STIFLE INNOVATION FOR
HEALTH CARE SERVICES**

***Agencies Submit Joint Statement Regarding Proposed Legislation Addressing the State's Certificate-of-Need
Laws***

WASHINGTON – The Department of Justice's Antitrust Division and the Federal Trade Commission (FTC) have recommended that South Carolina repeal its laws regulating the building of hospitals and other health care facilities and the provision of health care services.

In response to a request by South Carolina Governor Nikki R. Haley for views on South Carolina House Bill 3250, which would narrow the application of and ultimately repeal South Carolina's certificate-of-need (CON) laws, the joint statement suggests the state consider whether its CON program best serves the needs of its citizens.

"South Carolina lawmakers have the opportunity to help health care consumers in the state," said Assistant Attorney General Bill Baer of the Antitrust Division. "CON laws raise the cost of investment in new health care services and can shield incumbents from competition that would benefit consumers and lower costs. Repeal of South Carolina's CON laws could invigorate competition in this important sector, to the benefit of

patients, employers and other health care consumers.”

Although CON laws vary considerably by state, these laws, including South Carolina’s CON laws, typically require certain health care providers to obtain state approval before expanding, establishing new facilities or services or making certain large capital expenditures.

According to the joint statement, the Justice Department and FTC historically have urged states to consider repeal or reform of their CON laws because they can prevent the efficient functioning of health care markets and thereby harm consumers. CON laws can create barriers to entry and expansion, limit consumer choice, deny consumers the benefit of an effective remedy for antitrust violations, facilitate anticompetitive agreements, and stifle innovation.

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16-032

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