



HENRY McMASTER
GOVERNOR

May 2, 2022

To the Members of the House of Representatives,

In the coming days the House of Representatives will consider S 290, a bill that addresses our State's Certificate of Need (CON) healthcare regulations. I ask that you consider a full repeal. Here's why:

I believe that CON has become antiquated and ineffective in today's modern free marketplace, much in the same way that rotary phones are no longer practical for telecommunication purposes. CON stifles entrepreneurship, capital investment, and competition, while limiting access and creating monopolies in South Carolina's healthcare market.

CON requires approval from the Department of Health and Environmental Control before a healthcare provider can build a new facility, purchase certain medical equipment, or provide additional medical services. In the last few decades, we have seen the CON approval process become weaponized by those seeking to halt a competitors' entry into the marketplace through lawsuits and long-drawn-out litigation.

This practice has the practical effect of delaying access to healthcare services in rapidly growing areas of our state, it provides no incentive for capital investment in our rural counties, and it provides no relief to our citizens from rising healthcare costs.

The COVID-19 pandemic demonstrated the need for our healthcare system to quickly adjust to protect the lives of our elderly and at-risk citizens. In fact, one of the first actions we took during the pandemic was to suspend certain CON regulations, so our healthcare providers could be nimble and aggressive in addressing the evolving conditions. It worked.

As you consider S 290, I ask that you repeal CON, and unleash the free marketplace.

Yours very truly,

A handwritten signature in blue ink that reads "Henry McMaster".

Henry McMaster