



February 24th, 2025
Health and Government Operations

Dear Chair Pena-Melnyk, Vice Chair Cullison, and all distinguished members of the Maryland House Health and Government Operations Committee:

My name is Alicia Plemmons, and I am an assistant professor and co-director of the Knee Regulatory Research Center at West Virginia University. I appreciate the opportunity to comment on and provide educational insight into HB 735, concerning the exemption of psychiatric health care facilities from the Certificate of Public Need program. This testimony does not represent the opinions of my employer.

A series of peer-reviewed papers were published through 2024 in the Southern Economic Journal by regulation-focused economists across several universities and colleges. The highlights of this immense research effort include:

1. A meta-analysis of 128 different academic studies using over 450 different tests finds that the majority of studies observe that Certificate of Need requirements resulted in increased spending, reduced access to healthcare, and undermined quality of healthcare services.¹
2. States which repealed their Certificate of Need programs experienced a substantial increase in hospitals in both rural and urban areas.²
3. States with Certificate of Need programs on substance use disorder and psychiatric care facilities, such as Maryland, had reduced available care for pregnant mothers experiencing distress, which led to higher rates of neo-natal abstinence syndrome among infants in the Medicaid population.³

In summary, current research on Certificate of Need programs finds increased access and quality of healthcare services in states that have removed their programs over the previous four decades. The research provides support that exemption of psychiatric care facilities would be beneficial for the healthcare infrastructure of Maryland when compared to current data trends if the program were kept in place.

Best regards,

¹ Mitchell, Matthew D. 2024. Certificate-of-Need laws in healthcare: A comprehensive review of the literature. Southern Economic Journal.

² Melo, Vitor, Liam Sigaud, Elijah Neilson, and Markus Bjoerkheim. 2024. Rural healthcare access and supply constraints: A causal analysis. Southern Economic Journal.

³ Plemmons, Alicia, Darwynn Deyo, and Sarah Drain. 2024. The effects of Certificate-of-Need laws on substance use disorder care for vulnerable populations. Southern Economic Journal.

Dr. Alicia Plemmons, Assistant Professor of General Business
Co-Director, Knee Regulatory Research Center
West Virginia University