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March 7, 2023

House Labor and Commerce Committee
Alaska State Capitol
120 4th Street
Juneau, AL 99801

Dear Representative,

On March 10, 2023, the House Labor and Commerce Committee will hold a hearing on [HB 35](#). On behalf of the 3,823 members and supporters of the Council for Citizens Against Government Waste (CCAGW) in Alaska, I urge you to support this legislation, which would repeal certificate of need (CON) laws. These laws create barriers to competition and reduce access to affordable, quality care.

Under Alaska's current CON regime, new healthcare facilities or existing facilities seeking to expand must file an application demonstrating why they are needed in a particular community. These arbitrary laws protect established industry leaders and make it difficult for new and smaller entities to enter the marketplace and compete to lower costs for patients. States operating with CON laws have [11 percent](#) higher health care costs than those without such laws. Alaska has some of the highest healthcare costs in the country with spending on hospitals and on physician and clinical services that are [50 to 80 percent](#) higher than the national average. In testimony before the Alaska Senate Labor and Commerce Standing Committee on April 21, 2021, Mercatus Center Senior Research Fellow Matthew Mitchell [estimated](#) that healthcare spending in Alaska would be \$294 less per person annually if CON laws were repealed.

CON laws also reduce access to quality care for patients. States operating under CON regimes have [30 percent fewer](#) hospitals, meaning fewer options for patients. Repealing existing CON laws in Alaska would [reduce](#) post-surgery complications by 5.6 percent.

Again, I urge you to support HB 35 to repeal Alaska's CON laws to help reduce healthcare costs and increase access to quality care for patients across Alaska.

Sincerely,

Tom Schatz