



May 11, 2026

**Statement of Support from Pacific Legal Foundation for House Bill 7392—
A bill to decrease applications fees for certificate of need applications**

Chair Abney and Members of the House Finance Committee:

My name is Jaimie Cavanaugh, and I am Senior State Policy Counsel at Pacific Legal Foundation (PLF). Although “pacific” is in our name, PLF works in every state, including Rhode Island, where we currently represent Johnston property owners in an eminent domain dispute.

As an organization, a large part of PLF’s work involves protecting the right to earn a living free from unreasonable government restrictions. These protections are especially important in the healthcare industry, where government barriers to entry not only harm workers and entrepreneurs, but all citizens by decreasing access to needed healthcare facilities and services.

Certificate of need (CON) laws¹ are among the most harmful of such restrictions—particularly for small, niche, and startup providers who know their communities best but lack the financial or political capital to navigate a costly CON process or withstand legal challenges from entrenched hospital systems. If Rhode Island is concerned about healthcare consolidation, it must consider that CON laws systematically advantage large incumbents over innovative new entrants.²

PLF strongly supports House Bill 7392. This is a simple bill that does not alter any of the existing CON requirements except for the fees associated with submitting a CON application. Existing law requires that applicants pay \$10,000 plus .25% of the capital expenditure. House Bill 7392 creates a maximum cap for application fees of \$25,000. This Committee should adopt this commonsense bill to ensure that the costs of CON applications are not prohibiting would-be providers from applying.

Importantly, CON reform is not a partisan issue. Federal agencies across every presidential administration since Reagan have called on states to repeal CON laws. During the Obama Administration, the DOJ and FTC jointly submitted comments

¹ Although they are called determination of need laws in Rhode Island, they are known as CON laws in most other states. This testimony will refer to them as CON laws in line with the relevant academic research.

² Levinson, Z., et al. (Apr. 19, 2024). Ten Things to Know About Consolidation in Health Care Provider Markets. *Kaiser Family Foundation*. <https://www.kff.org/health-costs/ten-things-to-know-about-consolidation-in-health-care-provider-markets/>.


supporting CON reform in Virginia³ and other states. In 2023, the DOJ supported full repeal of Alaska's CON laws.⁴ Agencies including the U.S. Department of Health and Human Services, Department of the Treasury, and Department of Labor have also published reports calling on states to reform their CON laws, showing there is widespread support for these reforms.

And over the last several years, both red and blue states have enacted various forms of CON reform, including

- Maine (2026)
- New Jersey (2026)
- Tennessee (2026)
- District of Columbia (2025)
- New York (2025)
- Georgia (2024)
- Oklahoma (2024)
- North Carolina (2023)
- South Carolina (2023)

PLF urges this Committee to support House Bill 7392 and to follow the national trend toward loosening CON restrictions. Doing so has led to greater healthcare competition, lower costs, and better care. Thank you for the opportunity to testify. I am happy to answer any questions.

Respectfully,



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³ Press Release, Fed. Trade Comm'n, Agencies Submit Joint Statement Regarding Virginia Certificate-of-Need Laws for Health Care Facilities (Oct. 26, 2015), <https://www.ftc.gov/news-events/news/press-releases/2015/10/agencies-submit-joint-statement-regarding-virginia-certificate-need-laws-health-care-facilities>.

⁴ Statement of the Antitrust Division, U.S. Dep't of Justice, Regarding the Proposed Repeal of Alaska's Certificate-of-Need Laws (May 23, 2023), <https://www.justice.gov/d9/2023-08/415865.pdf>.