

Statement from David Diduch, MD
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Chairman Purkey and members of the Taskforce

Thank you for reviving the discussion about Virginia's Certificate of Public Need process. The Virginia Orthopaedic Society maintains our longstanding support for deregulation of COPN. We appreciate the opportunity to express our position.

For orthopedists and many other physicians, COPN is an unreasonable obstacle that keeps free market principles from positively impacting the healthcare sector. The Department of Justice and the Federal Trade Commission identified COPN requirements as outdated and anticompetitive. Virginia's own Department of Planning & Budget has criticized COPN for the same reasons.

The General Assembly in 2001 adopted a Joint Commission on Health Care plan to eliminate COPN. So, the policy decision has already been made. Unfortunately, the price tag attached to the transition plan has never been addressed.

VOS makes the following observations and recommendations:

- COPN is a complex and often inequitable system that stifles patient choice, denies access to new technologies, and promotes inefficiencies in care.
- Maintaining COPN as a financial and procedural "tax" that is designed to augment hospital revenues is improper model.
- Such a model suggests that physicians who accept Medicaid or provide care to the indigent should be protected from other providers who wish to provide similar services in the community.
- If Virginia Medicaid is inadequately reimbursing hospitals (which it is) and physicians (which it is) then let's address the funding issue together.
- The General Assembly should either abandon the 2001 Deregulation Plan and develop new strategies to implement each phase or abandon it all together
- In either case, the General Assembly should consider deregulating COPN for medical equipment identified in Phase I of the plan, which including diagnostic imaging and other equipment.
- The technology of that equipment is rapidly improving. For example extremity and positional MRIs are much smaller (about size of a dentist chair) and cheaper than just a few years ago.
- Why should we deny patients the convenience, comfort, and cost savings of new and different technologies?
- Why should we deny physicians, hospitals, and joint partnerships from entrepreneurial ventures that are both good business and good healthcare delivery?

Mr. Chairman, I urge this task force to initiate both the discussion and the measures to move Virginia toward a more competitive healthcare environment. Any steps that will reduce the financial and process burdens of COPN will advance this goal.

Thank you for the opportunity to speak with you. I'm happy to try to answer any questions.