

OFFICE OF THE GOVERNOR  
STATE OF MONTANA

STEVE BULLOCK  
GOVERNOR



MIKE COONEY  
LT. GOVERNOR

May 8, 2019

The Honorable Corey Stapleton  
Secretary of State  
State Capitol  
Helena, MT 59601

Dear Secretary Stapleton:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill 537 (HB 537), "AN ACT REVISING CERTIFICATES OF NEED TO INCLUDE ONLY LONG-TERM CARE FACILITIES AND NONFEDERAL HOME HEALTH AGENCIES; REVISING DEFINITIONS; AND AMENDING SECTIONS 50-5-101, 50-5-301, 50-5-302, 50-5-307, AND 50-5-308, MCA."

Under current law, certain healthcare facilities need to obtain a Certificate of Need in order to operate. Certificate of Need laws require those who propose to open a new facility to demonstrate that the new facility is necessary. This is important because it helps promote healthcare cost containment, prevent unnecessary duplication of healthcare facilities and services, guide the establishment of healthcare facilities and services that will best serve healthcare needs, and ensure that high quality services are provided in healthcare facilities. Certificates of Need prevent the creation of excess capacity in healthcare facilities—empty beds that current patients end up paying for.

House Bill 537 eliminates the requirements that new healthcare facilities obtain a Certificate of Need from the Department of Public Health and Human Services (DPHHS) before a new facility could be opened. As a result, there is a significant risk that more health care facilities will open than the healthcare market currently requires. Current patients and their insurers will have to foot the bill.

In this time of increasing health care costs, we need to do everything we can to prevent Montanans from having to pay more. House Bill 537 is a step in the wrong direction.

For these reasons, I veto HB 537.

Sincerely,

STEVE BULLOCK  
Governor

cc: Legislative Services Division  
Greg Hertz, Speaker of the House  
Scott Sales, President of the Senate