



## NC Senate considers repeal of law governing Mission

Mark Barrett , mbarrett@citizen-times.com 6:56 p.m. EDT June 16, 2015

*Mission has been operating under an agreement with the state called a certificate of public advantage since 1995. The agreement, or COPA, was put in place to shield Mission from anti-trust concerns.*



Buy Photo

(Photo: William Woody / wwwoody@citizen-times.com)

f 14 CONNECT t TWEET in LINKEDIN 8 COMMENT EMAIL MORE

RALEIGH — A law that limits Mission Health's profit margin and caps the number of doctors it can employ would be repealed by language in the state Senate's proposed budget bill.

Repeal of the certificate of public advantage, or COPA, law could change the competitive environment in health care in Buncombe County and Western North Carolina, making it easier for Mission to expand its already large share of the market.

Randall Bovbjerg, a researcher at a Washington, D.C., think tank who has studied the law, said the result of repeal could be higher prices for health care in the area.

The law "was put in to deal with monopoly-like power" created when Mission and St. Joseph's merged, he said. "It goes away, but monopoly-like power stays."

Dr. Ronald Paulus, Mission president and CEO, said in a statement repeal would result in "no material changes initially to Mission's operations." But over time, the added flexibility and financial benefits "would create important opportunities to adapt and respond to rapidly changing market conditions," he said.

Mission has been operating under an agreement with the state called a certificate of public advantage since 1995. The COPA law setting up such agreements was put in

### TOP VIDEOS



### Teen dedicates herself to fighting heart disease

0:49



### City cheers up sick kids with Good Night Lights

1:26



### Police: Man pointed e-cigarette before he was shot

0:52



### Chelsea Clinton in Asheville

37:08

f 14



8



place to shield Mission from anti-trust concerns when the hospital merged with St. Joseph's Hospital, located across Biltmore Avenue from Mission's main campus.



CITIZEN TIMES

Mission's big company tactics anger rural WNC doctors



CITIZEN TIMES

Mission Hospital eyes bigger expansion

The COPA says Mission can employ no more than 30 percent of the physicians in Buncombe and Madison counties and its costs can rise no more than the national average. Paulus said 18.9 percent of doctors in the two counties work for Mission today, a little less than the national average.

The budget bill passed by the House does not mention COPA, making it far from certain repeal will be approved. The full Senate is scheduled to vote on its version of the bill Wednesday and Thursday, then House and Senate budget leaders are expected to start negotiating a compromise budget next week.

COPA repeal is one of several provisions of the 504-page Senate budget bill with relatively little impact on state spending or taxation. The bill contains policy changes in several fields, including a ban on using oyster shells in landscaping and changes to child custody laws.

It also has language abolishing the state's certificate of need law. The CON law requires hospitals and other health care providers to get state approval for major new or expanded health care facilities, like adding beds to a hospital or establishing a nursing home.

Hospitals generally oppose that change, saying it would allow physician groups or other for-profit companies to serve well-insured patients in outpatient facilities while they are saddled with providing charity care to those who cannot afford to pay. Critics say the CON law stifles competition.

Mission did not request the COPA change but believes the law "has outlived its useful life," Paulus said.

The benefits of the merger "have exceeded all expectations" as Mission Health has provided higher quality care more efficiently and received several national recognitions, he said.



San Diego-area police shooting: What we know  
0:32

MORE STORIES

"Experience shows that the COPA is unnecessary to ensure that the continued benefits of the transaction outweigh any possible harm to competition," Paulus said.

The competitive environment in the region has changed from when the merger occurred, he said, noting that several other hospitals in the region that were once independent are now affiliated with larger health care organizations.

Officials at two of those hospitals, Park Ridge Health in Fletcher and Haywood Regional Medical Center in Clyde, declined specific comment on the COPA law Tuesday.



CITIZEN TIMES

More doctors partner with Mission



CITIZEN TIMES

Mission Health says competition not part of Haywood expansion

Bovbjerg, who studies health care issues at the Urban Institute, said his personal opinion is someone needs to figure out what happens next once the oversight from the state that the law provides goes away.

There is strong evidence that prices usually rise after hospital mergers, he said. If the COPA law goes away, "What is the alternative here?" he said. "In two years, are we going to be wondering what happened?"

The law was enacted to avoid federal anti-trust regulators vetoing the merger. Bovbjerg said it is unlikely that regulators would take any action so many years later is COPA is repealed.

"The anti-trust people, their phrase is you can't unscramble the egg," he said.

He and another senior fellow at the Urban Institute suggested in an February article that the COPA law could be a model for other states to deal with hospital mergers. They said health care prices and quality at Mission have generally been good since the law was enacted.

The budget bill does not say who is responsible for its certificate of public advantage and CON law sections.

Sen. Tom Apodaca, R-Henderson, introduced a bill in late March to repeal both laws.

Neither he nor Sen. Ralph Hise, a Mitchell County Republican who is co-chairman of the subcommittee responsible for health care provision of the bill, could be reached for comment Tuesday.

Paulus said Mission officials "do appreciate the fact that Senator Apodaca is aware of the unnecessary waste and challenges imposed by the COPA."

Sen. Terry Van Duyn, D-Buncombe, said she could support eventual repeal of the COPA law, but there are so many other changes to health care laws and funding in this year's budget that now is not the time to change COPA too. She said she is aware of little discussion of the change in any Senate committee.

"This is a huge policy change. This needs to be debated and not horse traded," she said. "What's going to happen is we're going to pass it and then the horse trading begins between the House and the Senate."



CITIZEN TIMES

Bill could mean more Mission expansion



CITIZEN TIMES

Special report: Mission Health at a crossroads

- 14  
CONNECT
- TWEET
- LINKEDIN
- 8  
COMMENT
- EMAIL
- MORE

AD CONTENT by Taboola



Washington: This Meal Service is Cheaper Than Your Local Store

Home Chef



We Tried Blue Apron: Here's What Happened

Blue Apron



Get New Car Smart: 10 Most Comfortable Cars Under \$30k

Kelley Blue Book



The Number 1 Reason Banks Don't Recommend Reverse ...



District Of Columbia Homeowners Born Before 1985 Are Getti...



Why Guys Are Saying Goodbye to "Normal Belts"



NewRetirement



FetchaRate Quotes



SlideBelts

MORE STORIES:



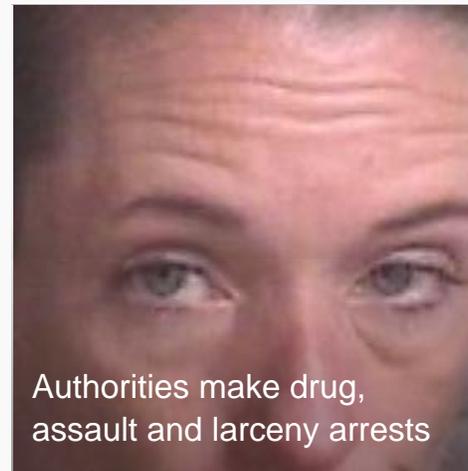
Hurricane Matthew: Here are scenarios for the USA

WEATHER | 2 days ago



Police: 2 men assaulted, tied up Asheville homeowner

NEWS | 6 days ago



Authorities make drug, assault and larceny arrests

NEWS | 5 days ago