



**2026 PLAYBOOK FOR
CERTIFICATE OF NEED REPEAL:**

Ranking Certificate of Need Laws in All 50 States and Puerto Rico

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Executive Summary

Across America, Certificate of Need laws remain a pervasive barrier, inhibiting access, quality, and affordability across the healthcare system. After more than five decades, reform often proves difficult. Yet recent legislative activity hints that the outdated regime is finally crumbling. The 2026 legislative sessions marked a significant year for repeal, driven in part by the incentives from the Rural Health Transformation Program.

The Rural Health Transformation Program (RHTP), a five-year, \$50 billion initiative administered by the Centers for Medicare & Medicaid Services (CMS), uses its funding to shape state incentives for reform. CMS included the repeal of the Certificate of Need among the policy factors weighed in the program's competitive technical score component. CMS uses the Cicero Institute's scoring methodology—the same nine-category framework used in this report—to evaluate the restrictiveness of each state's CON regime.

This third annual update to the Cicero Institute's Certificate of Need (CON) report reflects legislative activity through the 2026 sessions. It builds on the methodology and 50-state ranking first published in “A Policymaking Playbook for Certificate of Need Repeal: Ranking Certificate of Need Laws in All 50 States,”¹ and carried forward in the “2025 Playbook for Certificate of Need Repeal,”² applying the same framework to capture legislative changes enacted since that publication.

**TABLE 1: 2026 CERTIFICATE OF NEED (CON) SCORES,
LISTED ALPHABETICALLY**

State	Total Score	CON Level	Behavioral Inpatient	Behavioral Outpatient	Medical Outpatient	Medical Inpatient	Imaging	In-Home & Day Services	LTC	Ancillaries	Other
Alabama	100	Universal	15	20	15	10	15	10	5	5	5
Alaska	90	Stringent	15	20	15	10	15	0	5	5	5
Arizona	5	Limited	0	0	0	0	0	0	0	5	0
Arkansas [†]	80	Stringent	15	20	15	10	0	10	5	0	5
California [†]	15	Limited	0	0	0	0	0	10	0	0	5
Colorado	0	None	0	0	0	0	0	0	0	0	0
Connecticut	90	Stringent	15	20	15	10	15	0	5	5	5
Delaware [†]	80	Stringent	15	20	15	10	0	10	5	0	5
Florida	15	Limited	0	0	0	0	0	10	5	0	0
Georgia	100	Universal	15	20	15	10	15	10	5	5	5
Hawaii	100	Universal	15	20	15	10	15	10	5	5	5
Idaho	0	None	0	0	0	0	0	0	0	0	0
Illinois	100	Universal	15	20	15	10	15	10	5	5	5
Indiana [†]	15	Limited	0	0	0	10	0	0	5	0	0
Iowa [†]	70	Stringent	15	0	15	10	15	10	5	0	0
Kansas	0	None	0	0	0	0	0	0	0	0	0
Kentucky	100	Universal	15	20	15	10	15	10	5	5	5
Louisiana	65	Expansive	15	20	15	0	0	10	5	0	0
Maine	95	Stringent	15	20	15	10	15	10	5	5	0
Maryland	95	Stringent	15	20	15	10	15	10	5	0	5
Massachusetts	100	Universal	15	20	15	10	15	10	5	5	5
Michigan	90	Stringent	15	20	15	10	15	0	5	5	5
Minnesota [†]	50	Expansive	15	0	15	10	0	0	5	5	0
Mississippi	100	Universal	15	20	15	10	15	10	5	5	5
Missouri [†]	65	Expansive	15	0	15	10	15	0	5	0	5
Montana [†]	80	Stringent	15	20	15	10	0	10	5	0	5
Nebraska	5	Limited	0	0	0	0	0	0	5	0	0

State	Total Score	CON Level	Behavioral Inpatient	Behavioral Outpatient	Medical Outpatient	Medical Inpatient	Imaging	In-Home & Day Services	LTC	Ancillaries	Other
Nevada [†]	85	Stringent	15	20	15	10	0	10	5	5	5
New Hampshire [†]	10	Limited	0	0	0	10	0	0	0	0	0
New Jersey [†]	75	Stringent	15	0	15	10	15	10	5	0	5
New Mexico	0	None	0	0	0	0	0	0	0	0	0
New York	100	Universal	15	20	15	10	15	10	5	5	5
North Carolina	80	Stringent	15	0	15	10	15	10	5	5	5
North Dakota	5	Limited	0	0	0	0	0	0	5	0	0
Ohio	5	Limited	0	0	0	0	0	0	5	0	0
Oklahoma [†]	55	Expansive	15	20	0	10	0	0	5	0	5
Oregon	100	Universal	15	20	15	10	15	10	5	5	5
Pennsylvania	0	None	0	0	0	0	0	0	0	0	0
Rhode Island [*]	45	Expansive	0	0	15	10	0	10	5	0	5
South Carolina	5	Limited	0	0	0	0	0	0	5	0	0
South Dakota	5	Limited	0	0	0	0	0	0	5	0	0
Tennessee [†]	75	Stringent	0	20	15	10	15	10	5	0	0
Texas	0	None	0	0	0	0	0	0	0	0	0
Utah	0	None	0	0	0	0	0	0	0	0	0
Vermont	100	Universal	15	20	15	10	15	10	5	5	5
Virginia	95	Stringent	15	20	15	10	15	10	5	0	5
Washington [†]	60	Expansive	15	0	15	10	0	10	5	0	5
West Virginia	100	Universal	15	20	15	10	15	10	5	5	5
Wisconsin	5	Limited	0	0	0	0	0	0	5	0	0
Wyoming	0	None	0	0	0	0	0	0	0	0	0
Puerto Rico	100	Universal	15	20	15	10	15	10	5	5	5

^{*} Denotes a state with a Certificate of Need statutory change enacted during the state's 2026 legislative session that resulted in a change of the score.

[†] Denotes a state whose total score changed solely because this edition restores category weights consistent with the methodology published in 2024. No 2026 legislative action affected the score.

^{*} Denotes a state whose total changed because this edition corrects an inaccuracy identified in a prior report.

**TABLE 2: 2026 ENACTED CERTIFICATE OF NEED LEGISLATION
AND BUDGET RIDERS, BY STATE**

The table combines enacted legislation identified through legislative tracking with legislation identified through reviews of budget riders and omnibus bills. Numbered entries indicate multiple bills or multiple distinct provisions within a single bill affecting a state.

State	Enacted Legislation	Policy Direction	Summary
California	SB 164 (Ch. 27, Statutes of 2026)	Restrictive	Establishes a statewide moratorium on new home health agency licenses, with a narrow “unmet need” exception and a five-year prohibition on changes of ownership. The law applies in a state without a general CON law.
Connecticut	1. SB 298 (Public Act 26-1) 2. SB 123 (Public Act 26-74) 3. SB 1 (Public Act 26-68)	1. Deregulatory 2. Deregulatory 3. Mixed	1. Exempts bed increases at state-owned hospitals from CON through June 2026 if the added beds are dedicated to inpatient behavioral health. 2. Loosens the state's near-absolute moratorium on new nursing-home beds and revises the bed-need test. 3. Comprehensive CON overhaul, enacted via floor substitution of a stalled reform bill: shifts CON administration to a new DPH-led panel, drops service terminations and freestanding emergency departments as triggers, broadens the change-of-ownership definition, and adds exemptions for nonprofit behavioral-health providers (operative for applications filed on or after July 1, 2027).
Delaware	1. HB 17 w/ HA 1 (85 Del. Laws ch. 252) 2. SB 313 w/ SA 1 (85 Del. Laws ch. 350)	1. Deregulatory 2. Restrictive	1. Repeals CON review for the acquisition of major medical equipment. 2. Bars for-profit entities from acquiring or converting nonprofit acute-care hospitals without state review (most provisions sunset in 2028).
Florida	HB 5003-E (Ch. 2026-233)	Deregulatory	Allows nursing-home CON holders to keep inactive licenses and extend CON validity for up to four years for disaster recovery or modernization, via a budget rider that overrides existing statutory limits (expires July 2027).
Hawaii	HB 2319 CD1 (Act 049)	Deregulatory	Triplies the bed-change exemption threshold, from 10 percent or 10 beds to 30 percent of licensed beds, and exempts Department of Health–operated facilities from CON.
Illinois	1. HB 4757 (Public Act 104-0557) 2. SB 3365 (Public Act 104-0470)	1. Procedural 2. Restrictive	1. Extends the state’s existing CON application, hearing, and notice procedures to exemption requests, replacing newspaper notice with website posting. 2. Adds a hospital financial-reporting mandate, weekly fines for noncompliance, and emergency-rulemaking authority for the CON review board, inserted via a last-day rewrite of a Medicaid omnibus bill.

State	Enacted Legislation	Policy Direction	Summary
Indiana	HB 1358 (Public Law 96)	Procedural	Allows public comment on CON applications by mail or email.
Iowa	1. HF 2635 (2026 Iowa Acts) 2. HF 2800	1. Deregulatory 2. Procedural	1. Raises CON cost thresholds on a stepped schedule to five million dollars by 2037, repeals CON review for cardiac catheterization, open-heart surgery, organ transplantation, and radiation therapy, and eliminates the letter-of-intent and public-hearing requirements; entered the bill via floor amendment after several standalone repeal bills died. 2. Corrects drafting errors in HF 2635's phase-in dates; no substantive policy change.
Kentucky	HB 236 (Acts ch. 105)	Deregulatory	Narrows a CON trigger so only alterations that increase a facility's designated geographic service area require review.
Louisiana	1. HB 199 (Act 136) 2. HB 971 (Act 859) 3. HB 1 (Act 3, General Appropriations Act)	1. Restrictive 2. Restrictive 3. Restrictive	1. Extends the moratorium on new nursing-facility beds to July 2031 and adds new state reporting requirements. 2. Subjects rural health clinics to facility-need review for the first time. 3. Appropriates the funding that makes HB 971's rural-health-clinic review requirement operative.
Maine	LD 1890 / HP 1261 (PL 2025, ch. 599)	Deregulatory	More than doubles the capital-expenditure threshold for ambulatory surgical facility CON review, to \$7.5 million, and indexes it to medical inflation going forward.
Maryland	HB 498 / SB 444 (Chapters 69 & 68)	Restrictive	Companion bills replacing a blanket CON exemption for substance-use-disorder residential treatment beds with a notice-and-review pathway.
Massachusetts	S.3141 / H.5618 / H.5630 — not enacted	Mixed (pending)	Would create a priority-review fast lane for Determination of Need review paired with a mandatory 2 percent capital-expenditure exaction, capped at 5 percent; in conference as of September 15, 2026, and not yet law; the formal session ended July 31.
Minnesota	1. HF 3521 (2026 ch. 91) 2. SF 4612 (2026 ch. 127)	1. Deregulatory 2. Deregulatory	1. Carves out a new exception to the hospital-construction moratorium for an 85-bed addition at a specific Ramsey County trauma center, without the usual public-interest review. 2. Removes an obsolete 2009 completion deadline tied to a separate hospital-moratorium exception and repeals the expert-review-panel requirement for major capital spending.

State	Enacted Legislation	Policy Direction	Summary
Mississippi	1. HB 3 2. HB 1622 3. SB 2474	1. Deregulatory 2. Deregulatory 3. Procedural	1. Raises CON cost thresholds across equipment and services and narrows a teaching-hospital exemption to a defined geographic area. 2. Creates a “Small Community Hospital Pilot Program” exempting all CON-covered activity in two counties, adding discretionary per-hospital exemptions, and barring judicial review of those exemption decisions. 3. Reclassifies HB 1622’s hospital authorizations as “exemptions” rather than “licenses.”
Missouri	HB 2372	Restrictive	Requires the state CON review committee to rescind an issued CON, including one granted on appeal, if it later finds the application misrepresented material facts.
Nebraska	LB 437	Procedural	Extends the window from one year to three for CON holders to complete an approved project; introduced as a full CON repeal before being narrowed in committee.
New Jersey	S4816 (PL 2025, c.320)	Deregulatory	Exempts a specific neonatal-care designation upgrade from CON review and directs the health department to open a CON call for a higher designation tier within 180 days.
North Carolina	SB 257 (S.L. 2026–41)	Deregulatory	Removes freestanding inpatient rehabilitation facilities, services, and beds from CON review by striking rehabilitation from the statutory facility definitions; rehabilitation beds inside nursing homes remain covered.
Oregon	SB 1575 (Or. Laws 2026 ch. 133)	Restrictive	Freezes new hospice licenses until the state completes related rulemaking and defines “underserved area” using need-based criteria.
Rhode Island	HB 7127 Sub A, Art. 12 (FY2027 Budget Act)	Mixed	In one budget article: exempts ambulatory surgical centers, home care and home nursing providers, and CT/MRI/PET imaging from CON while raising the capital-expenditure threshold to \$50 million (deregulatory); and separately creates a new prior-approval requirement, with a clear-and-convincing-evidence standard, before any hospital or freestanding birthing center may close, relocate, or significantly reduce labor-and-delivery services (restrictive).

State	Enacted Legislation	Policy Direction	Summary
South Carolina	1. H. 4189 (Act 146) 2. H. 4799 (Act 153)	1. Mixed 2. Deregulatory	1. Shifts CON planning authority from the state health board to the agency director as part of a broader agency restructuring, and repeals a board-level ex parte communication ban. 2. Exempts state-run veterans' nursing homes from CON review.
Tennessee	1. SB 1369 / HB 819 (Pub. Ch. 887) 2. SB 2431 / HB 2110 (Pub. Ch. 1136)	1. Deregulatory 2. Mixed	1. Phases out CON for satellite emergency departments and cardiac catheterization by 2028, and eliminates CON entirely for new acute-care hospitals with average stays of 25 days or fewer starting in 2030. 2. Moves burn units, neonatal intensive care units, magnetic resonance imaging, and positron emission tomography from CON definitions into ordinary licensure categories while tightening the relocation exemption and adding new deadlines for state data requests.
Virginia	1. HB 30 (2026 Special Session I, Ch. 1) 2. HB 606 (Ch. 408) 3. HB 1337 / SB 239 (Ch. 779 / 780)	1. Deregulatory 2. Procedural 3. Procedural	1. Exempts nursing homes from COPN charity-care conditioning via a budget rider, without amending the underlying code section. 2. Changes how charity care is valued for COPN reporting and adds new annual reporting requirements; does not add or remove any CON category. 3. Directs state health planners to identify underserved areas and design an expedited COPN review pathway for qualifying projects.
Washington	ESSB 5998 (Ch. 268, Laws of 2026)	Deregulatory	Exempts one specific Burien hospital from CON for elective cardiac catheterization procedures; a verbatim carryover of a 2025 budget proviso (2025 c. 424 § 225(25), re-enacted as § 225(24)).
West Virginia	HB 4215 (Ch. 218)	Procedural	Authorizes the Department of Health's legislative rule on exemption from Certificate of Need (65 CSR 29, effective April 13, 2026), which sets application and notification procedures for exemptions already granted by statute; no change to what requires review.

Appendix: For a more detailed breakdown of the scores in each category for each state, see the accompanying scoring spreadsheet: <https://docs.google.com/spreadsheets/d/1PUX2-3Sy5IsdUsvfyE9Da6J5GelE1sBLBtsK5QIQ14/edit?gid=1962736597#gid=1962736597>



Summary of 2026 Enacted Legislation and Riders

Table 2 captures CON-related legislative activity across 25 states, including enacted changes made through standalone legislation, omnibus bills, budget measures, and other legislative vehicles. It also identifies one Massachusetts measure still pending in conference as of September 15, 2026. The table classifies each provision by its primary policy direction: deregulatory, restrictive, procedural, or mixed. Of the 39 enacted actions, 18 moved in a deregulatory direction, nine were restrictive, eight were procedural or administrative, and four combined more than one direction within a single bill.



A recurring feature of the 2026 legislative action was the CON rider. Rather than standalone repeal bills, many substantive changes were carried on budget, omnibus, or agency-restructuring vehicles rather than dedicated CON bills. Several were inserted through late floor amendments after standalone repeal bills stalled or died in committee. This pattern has a practical implication for tracking nationwide reform efforts. A caption-only search for "certificate of need" would miss a meaningful share of the year's actual statutory change. A comprehensive review, therefore, requires examining budget measures, omnibus bills, amendments, and related health policy legislation in addition to legislation specifically focused on CON.

State Legislative Highlights

Rhode Island

Rhode Island enacted the most sweeping Certificate of Need repeal of any state during the 2026 legislative session. The state dramatically narrowed the statutory definition of "healthcare facility," removing behavioral health services in hospitals, community mental health centers, alcohol and drug abuse centers, public health centers, and burn units from CON review entirely. Ambulatory surgical centers, home care providers, and home nursing providers were also removed, though hospice remains covered. Magnetic resonance imaging, computed tomography, and positron emission tomography equipment were exempted from review, as were independent diagnostic centers and mobile diagnostic testing facilities. Rhode Island also raised the dollar threshold that triggers review of capital spending by existing facilities from \$5.25 million in statute to \$50 million, indexed to the Consumer Price Index each July going forward. Building a new healthcare facility still requires a Certificate of Need at any cost; that trigger was left untouched.



Combined, these changes lower Rhode Island's estimated score from 100 to 45, the largest single-year reduction Cicero Institute has recorded. Though Certificate of Need requirements remain in place for select medical outpatient services, in-home and day services, and long-term care facilities, Rhode Island also narrowed who may challenge a CON decision after it is issued, limiting standing to the applicant itself rather than any competitor or interested party—a procedural change that does not affect the category score but removes a tool incumbents have used to delay approved projects through litigation after the fact. Rhode Island's reform is an impressive achievement.

Iowa

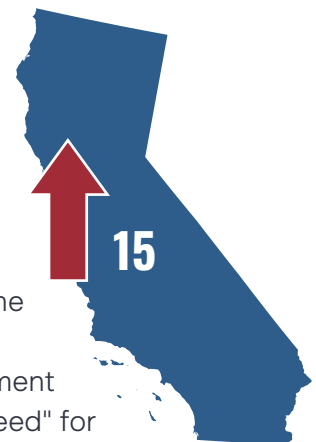
Iowa's ambitious CON repeals included removing community mental health centers from CON review under the behavioral outpatient category. It also eliminated cardiac catheterization, open-heart surgery, radiotherapy, and organ transplant services from CON review, which will dramatically increase Iowans' access to timely care. Iowa also repealed CON review for replacement equipment entirely, raised the general capital-expenditure and equipment-acquisition threshold to \$4 million, effective 2027 (stepping to \$4.5 million in 2032 and \$5 million in 2037), and struck CON review for both the closure and the expansion of services under the "other" category. Iowa also repealed CON review for air ambulance transport. Taken together, these changes lowered Iowa's estimated score from 90 to 70.



In 2026, Iowa substantially revised the procedural machinery that incumbents used to block competitors. Notably, Iowa's CON regime used to require applicants to file a redundant and burdensome 'letter of intent' before a CON application could be filed, giving incumbents advance notice to organize opposition before a hearing was ever scheduled. Iowa also narrowed who may formally object to a new application: regulators no longer have to find that existing facilities are already being used efficiently before approving a competitor, standing no longer extends to a facility that merely filed notice it might offer a similar service someday, and third-party payers lost the right to object at all. None of these procedural changes moves the category score, but together they close off the tools incumbents and insurers have used for years to stall or defeat competitors' applications without ever winning on the merits.

California

California moved in the opposite direction from the other states in this report. The state repealed its Certificate of Need law in 1987 and has scored 0 in every prior edition. In June 2026, the health budget trailer bill, SB 164, established a new entry restriction (moratorium) without ever using the term certificate of need. The bill bars the Department of Public Health from licensing any new home health agency or branch office until the department finishes rewriting its regulations, with no deadline for doing so. Applicants may receive a license during the moratorium only if the department makes a written finding that the applicant has demonstrated an "unmet need" for home health services in its area, judged on the number of agencies already operating



there. Licenses cannot be sold or transferred for five years, and the unmet-need requirement was also incorporated into the ordinary licensing rules, meaning that it remains in effect after the moratorium ends. Under this report's methodology, these restrictions raise California's score from 0 to 15–10 points for in-home services and five for the ownership-transfer bar. This was the only score that increased in 2026.

Puerto Rico

Though not well known, Puerto Rico also has an extensive Certificate of Need and Convenience (CNC) program, which was enacted in the 1970s alongside the states with the federal National Health Planning and Resources Development Act. Like other states, Puerto Rico kept the laws in place when the federal government repealed the act just over a decade later.



Scholars at the Instituto de Libertad Económica para Puerto Rico recently published a piece, “How Certificates of Need and Convenience Limit Health-Care Investment and Access in Puerto Rico.”³ The piece highlights different types of facilities and services that trigger a CNC. The CNC triggers listed in the article were aligned with this report's methodology for calculating Puerto Rico's 2026 score. Tracking all CNC triggers as comprehensively as possible is vital for effective reform. Future editions of this report will include Puerto Rico alongside all 50 states.

Conclusion

Taken as a whole, the 2026 legislative sessions produced a meaningful retreat from Certificate of Need regulation. Twenty-five states acted on their CON laws; three—Rhode Island, Iowa, and Delaware—repealed entire categories of review, and Rhode Island's 55-point drop is the largest single-year change recorded by this report. Most of the remaining activity was incremental: higher dollar thresholds, narrower triggers, targeted exemptions, and procedural cleanup that does not change a category score but chips away at the tools incumbents use to block competitors.

The Rural Health Transformation Program appears to have sharpened the incentive for reform. The repeal strategy laid out in the 2025 Playbook—behavioral health, maternal health, diagnostics, and heart health first—continues to reflect where the repeals actually landed: Rhode Island and Iowa both cleared CON requirements for behavioral health; Rhode Island and Delaware repealed imaging; and Iowa and Tennessee acted on cardiac services. As Certificate of Need regimes decay nationwide, American patients will at last get the care they so deserve.

REFERENCES

1. Chris Jones and Tanner H. Jones, “A Policymaking Playbook for Certificate of Need Repeal: Ranking Certificate of Need Laws in All 50 States,” (Cicero Institute, December 8, 2024), <https://ciceroinstitute.org/research/ranking-certificate-of-need-laws-in-all-50-states/>.
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