

Permission to Care: Certificate of Need Law Making South Carolina One of the Worst States for Having Babies

A recent WalletHub report ranks South Carolina as the third worst state to have a baby. The Palmetto State ranks:

- 40th for infant mortality rate,
- 45th for number of midwives and OBGYNs per capita,
- 28th for cost of hospital Cesarean delivery,
- 25th for cost of hospital conventional delivery charges.

The March of Dimes classifies eight counties in South Carolina as maternity care deserts and lists 13 more as having low access to maternity care.

A key driver of the problem is government red tape that creates artificial shortages for hospitals, obstetrics services, perinatal services, and intensive neonatal care. These shortages stem from the state's **certificate of need law**, which empowers government bureaucrats—rather than patient needs—to determine what health care services are needed and can have dire consequences for the health of mothers and babies.

The State Health Plan is the regulatory document that uses arbitrary formulas to determine the “need” for health care in the state. Health care providers cannot apply to offer a service if the plan doesn't establish a need for that service.

The State Health Plan determined the need for neonatal intensive care bassinets is less than the neonatal mortality rate. According to the Department of Health and Environmental Control (DHEC), the neonatal mortality rate in South Carolina is 4.5 deaths per 1,000 live births. Shockingly, DHEC calculates the need for neonatal intensive care at a rate of 3.25 bassinets per 1,000 live births.

The disparity is even more significant in minority communities. The infant mortality rate among non-white mothers is 7.5 deaths per 1,000 live births—2.3 times greater than the DHEC need calculation.

It gets worse: 94.5 infants per 1,000 live births are admitted to neonatal intensive care units (NICU). That means the actual NICU utilization rate is 30 times greater than the state-determined rate used to calculate the need for NICU beds.

An examination of the State Health Plan reveals that intensive care bassinets utilization rates are near or exceed 100% in three of the five perinatal care regions. Indeed, the State Health Plan

4.5 deaths per
1,000 live births

*South Carolina's neonatal
mortality rate*

7.5 deaths per
1,000 live births

*neonatal mortality rate for
non-white mothers*

3.25 NICU per
1,000 live births

*Certificate of Need
limits on NICU*

admits to “high utilization” and “overcrowding” of intensive and intermediate care bassinets in some areas of the state. Still, DHEC's solution is not to adequately add bassinets but to transfer infants between facilities.

DHEC regulates neonatal and obstetrical services under the certificate of need law, which requires health care providers to gain approval from the state before opening new facilities, expanding services, or upgrading equipment—including installing intensive care bassinets and obstetrical beds.

South Carolina's certificate of need scheme fails to contain costs, ensure access, or improve the quality of health care. The NICU bassinet need-determination, especially, is an unnecessary policy failure that jeopardizes the lives and health of mothers and infants.