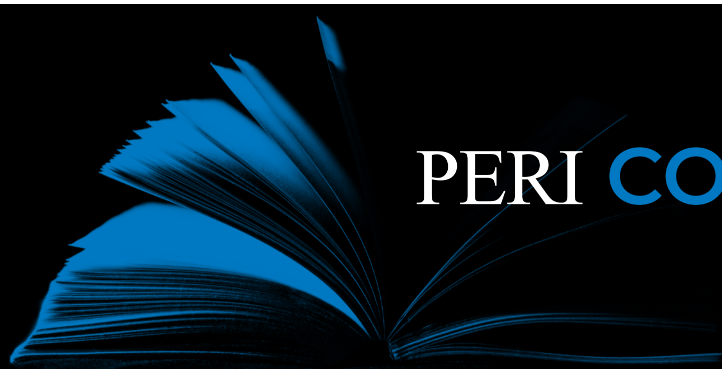

PERI COMMENTARY

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IN A DISASTER OR CRISIS, CUT THE RED TAPE

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In the wake of catastrophic events, the fastest and surest path to comprehensive recovery is one free of nonsensical regulatory barriers. The primary responsibility of federal, state, and local policymakers should be to ensure that bureaucratic red tape isn't needlessly delaying or hampering response and recovery efforts.

One of the most beneficial qualities of a market economy is its remarkable ability to respond to the unexpected with speed and ingenuity. Societies with top-down central planning simply don't have the incentives or entrepreneurial culture necessary to enable individuals, business, and civil society to engage in undirected problem-solving and experimentation. Thus, rather than trying to plan response and recovery efforts from the top, policymakers ought to ensure that regulatory barriers aren't preventing their citizens from leading response and recovery efforts.

The responses by churches, charities, and businesses, who best know the needs of their local community, are often stymied by onerous restrictions such as licensing, zoning, and even health and safety laws. Unnecessarily costly regulations that restrict economic freedom in good times cause even more harm following a crisis.

While my (Dan's) previous research has found troubling examples of regulations preventing comprehensive response and recovery efforts to natural disasters, we can apply this lesson in practice in our responses to the tragic COVID-19 pandemic.

One of the best examples of policymakers quickly clearing red tape in response to COVID-19 were the removal of federal barriers to spirit and beer distillers manufacturing desperately needed hand sanitizer. The eased restrictions allowed for over 20 establishments in Tennessee alone to pivot their efforts to mass-produce hand sanitizer. In another example, many states have currently relaxed health care licensing laws to enable medical care workers to quickly meet the needs of strained hospitals in other states.

In a local example, Tennessee Gov. Bill Lee issued executive orders to extensively deregulate the health care industry aimed at bolstering treatment and containment efforts. Likewise, pharmaceutical dispensary regulations and physician oversight protocols were suspended as well to prevent any further delay in the continuum of care. Perhaps the biggest deregulatory move for health care in Tennessee came

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with the suspension of Certificate of Need, allowing hospitals to expand and build in response to the crisis as needed. Vanderbilt University Medical Center, in an example of impressive ingenuity, quickly established an isolated treatment facility in its parking garage as a contingency to assist in their response to COVID-19.

Of course, it would be more beneficial to remove unnecessary regulations long before a crisis to both help prepare for the unexpected and to, quite sensibly, eliminate unnecessary costs even during normal times. And, the damages of some red tape can't simply be disbanded for a crisis. For instance, certificate of need laws—which often prevent the opening of new health care facilities and treatment options due to objections from competitors—can artificially restrict the number of health care facilities available during a crisis. Since 2015, certificates of need in Tennessee have been denied to seven emergency satellite departments, comprising 61 total rooms. While not acute care beds, this extra capacity would have surely come in handy and certainly helped us better contain the possible spread of COVID-19 while also continuing to provide regular emergency care services. In another example, states that had already paved the way for telemedicine and reformed restrictive scope of practice laws, are far better situated to respond to COVID-19.

With each crisis, it becomes more evident that businesses, churches, and charities are the backbones of our communities. We need to recognize the vital role they play and remove unnecessarily complicated or cumbersome regulations that can interfere with their ability to respond to the needs in their community.

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