

# Protecting High-Quality, Affordable Healthcare for Every Oregonian

**In Oregon, we believe that everyone deserves to be healthy. Yet the cost of care is increasingly unaffordable and out-of-reach for many families in our state.**

**In four short years, the amount Oregonians pay for their healthcare has increased nearly 29 percent — faster than the rest of the nation and outpacing inflation at a disturbing rate.<sup>1</sup>**

Now with COVID-19, more families, communities and small businesses are coping with job losses and reductions in income. Without action, the burden of higher healthcare premiums, deductibles, copays or other costs will only get worse. The effects will be felt deeply among Black, Indigenous and People of Color (BIPOC), whose health and economic stability have been disproportionately impacted throughout the pandemic, and further exacerbate health inequities in our state.

## **Healthcare consolidation is likely to increase.**

Healthcare mergers, acquisitions, and other partnership arrangements, already happening at a rapid clip before the pandemic, are expected to increase as some providers suffer greater losses.

The pandemic exposed the financial vulnerabilities of many independent practices, small clinics, and community-based hospitals — leading some to question if they can keep their doors open.

## **The evidence is clear: healthcare consolidation leads to higher prices and does not necessarily improve quality of care.**

Proponents of consolidation often argue it will lead to increased efficiency and higher quality care. However, research has demonstrated that consolidation actually leads to higher prices. And partnerships with Catholic-affiliated health systems often lead to restrictions on the full range of essential health services, including reproductive, gender-affirming, and compassionate end-of-life care.

In Oregon, 30 percent of acute care beds are already controlled by systems that restrict access to these services, raising concerns about the impact on access to healthcare as the consolidation trend continues.<sup>2</sup>

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“‘Many have presumed that consolidation is a prerequisite for higher value,’ said Dr. Michael McWilliams of Harvard Medical School... ‘but the only consistent finding from good research is higher prices.’”

**New York Times, The Downside of Merging Doctors and Hospitals, June 13, 2016**

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## Without adequate oversight in Oregon, harmful deals could proceed unchecked.

The few processes Oregon has in place apply only to a small portion of healthcare transactions and remain limited in scope. More importantly, they utilize an antiquated rubric based primarily on whether the entities will have enough financial resources to continue operating post-transaction, without evaluating whether the health of Oregonians will be better served.

## Rural communities face higher risk.

Independent practices, small clinics, and community-based hospitals are the lifeline for many Oregonians living in rural communities. As the pandemic intensifies, these providers may be more vulnerable to acquisition by large hospital systems with more resources. If left unchecked, these deals could pose disproportionate risks to rural Oregonians, who already experience higher rates of poverty and who have less access to healthcare.

## Ensuring the Needs of Oregonians Are Centered in Every Healthcare Deal

LC 1833 creates a robust and meaningful oversight process for proposed health care mergers, acquisitions, and affiliations by placing the healthcare needs of Oregonians at the center of each transaction.

By joining California, Massachusetts and Washington and others in addressing healthcare consolidation, Oregon will continue to be a leader in health system transformation and advancing health equity for all.

### LC 1833 considers the whole picture.

Currently, three different state agencies review disparate parts of healthcare transactions, each with their own set of procedures and standards. Oregon lacks an overarching set of criteria that ensure these transactions enhance access to low-cost, high-quality healthcare services. While OHA already has the authority to review transactions involving Coordinated Care Organizations (CCOs), LC1833 extend this review to the full healthcare market — from service providers to insurance carriers.

### LC1833 would:

- **Require healthcare entities to notify OHA before transactions** take place, including changes in revenue of \$1 million or more or reductions in services (including access to the full range of reproductive and end-of-life care options).
- **Engage impacted communities** through an open public process during the review period.
- **Require entities to demonstrate the transaction will benefit Oregonians** by either 1) reducing patient costs, 2) increasing access to services in medically underserved areas, or 3) addressing historical and contemporary factors contributing to the lack of health equity in our state.
- **Maintain a holistic picture of the impact of consolidation in the state** by reviewing changes in access, cost and health equity on a four-year cycle.
- **Be budget neutral** and fee-funded.

## About the Equal Access to Care Coalition:

Equal Access to Care is a collaboration between organizations that believe every Oregonian deserves access to the full range of medical services to stay healthy -- no matter who we are, where we live, or how much money we make.



1. OHA presentation to OHPB, 1/7/2020, based on APAC data.

2. "The Growth of Catholic Health Systems" by Tess Solomon, MPH Lois Uttley, MPP Patty HasBrouck, MBA and Yoolim Jung, MPH. Community Catalyst. October 2020.