

For immediate release

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When Hospitals Consolidate, Consumers Often Have No Say

(New York, May 22, 2018) -- Hospitals across New York State have been merging and closing at a rapid pace, changing the health care landscape and reducing options for consumers. While such transactions are subject to regulatory review through the State's Certificate of Need (CON) program, the process does not adequately inform or engage consumers, a new study by MergerWatch has found. The report, "Empowering Health Consumers in an Era of Hospital Consolidation," was released today by the Manhattan-based MergerWatch project. Funding for the study was provided by the New York State Health Foundation.

Key findings of the year-long study include:

- **Forty-one general acute care hospitals have closed across New York State over the last 20 years, and others have eliminated key services, such as emergency departments and maternity care.** This means health consumers often must travel to other hospitals for care, navigating unfamiliar health systems.
- **Large nonprofit health systems have been steadily moving to manage or acquire many of the remaining community hospitals across the State.** The 12 largest of these systems now control half of all the acute care hospitals in New York and 70% of the inpatient acute care beds. When these acquisitions undergo CON review, health systems are not required to predict whether prices would go up (which evidence finds is a frequent consequence of hospital consolidation) or whether local services might be eliminated.
- **The CON process is not sufficiently transparent or consumer-friendly.** It does not require advance notice to affected consumers about planned closings or downsizings, public hearings in the communities served by the facilities, or review of closing plans in a public meeting. State CON review board (Public Health and Health Planning Council, or PHHPC) meetings are held on weekdays in Albany or New York City at times when working New Yorkers would find it difficult to attend. Information about proposed hospital consolidations is not easy to find on the New York State Department of Health (NYSDOH) website.
- **There are no consumer health advocacy groups currently represented on the State CON review board (PHHPC).** The one seat previously held by a consumer health advocate has been vacant for some time. Half of the PHHPC members are employed by health provider organizations.

"In the new era of hospital consolidation, New York's 54-year-old Certificate of Need system must be updated to bring consumer voices and concerns to the table," said Lois Uttley, lead author of the report.

"Too many decisions are being made with little or no comment from the consumers whose access to care will be dramatically affected."

The new report makes four key recommendations to improve the transparency and consumer-friendliness of New York's CON system:

1. **Ensure that consumers affected by hospital closures or elimination of key hospital services are notified and engaged.** Require 90 days advance notice and provision of a proposed closure plan, as well as a public hearing in the affected community at least 60 days in advance and a full review of these transactions in public meetings by the PHHPC.
2. **Improve transparency, consumer engagement, and accountability when health systems propose takeovers of community hospitals.** Health systems should disclose in advance plans to downsize or transform hospitals they are acquiring, and be required to provide follow-up post-transaction reporting to ensure accountability to affected consumers. They should be required to hold public hearings in affected communities to ensure consumer engagement.
3. **Increase consumer representation on the PHHPC and increase consumer engagement in the CON process.** Add more consumer representatives to the PHHPC to better ensure consumer views are heard. Make it easier for consumers to find hospital CON applications on the NYSDOH website and to submit comments on them. Require CON applicants to submit Letters of Intent 30 days prior to the filing of a CON, and post those Letters of Intent promptly on the NYSDOH website.
4. **Ensure CON-approved projects preserve access to timely, affordable care and advance local and State health planning goals.** Require CON applicants to state how their projects would address State and local health planning goals, such as the Prevention Agenda, and advance health equity by improving access to care for medically-undeserved health consumers. Applications for large-scale transactions, especially hospital consolidations, should be required to project the impact of the transactions on the price of health care services.

"The CON process provides an important opportunity to engage consumers in decisions that can dramatically affect their lives," Uttley said. "While state DOH and PHHPC members have taken some steps in recent years to improve transparency of the review process, such as webcasting PHHPC meetings, much more needs to be done as state officials work to modernize the CON process. "

The full report can be found here: www.WhenHospitalsMerge.org.

MergerWatch is a 20-year-old project dedicated to protecting patients' rights and access to care when hospitals merge. In February of 2018, the project became part of the Women's Health Program of Community Catalyst, a national consumer health advocacy organization.

