

Testimony of Tom Swan

March 19, 2014

Testimony before the Public Health Committee

S.B. 460, An Act Concerning Hospital Conversions and Other Matters Affecting Hospitals; H.B. 5571, An Act Concerning Certificate of Need Requirements, Hospital Conversions & Medical Foundations

Senator Gerratana, Representative Johnson and other members of the Public Health Committee, I want to thank you for raising S.B. 460-AAC Hospital Conversions and Other Matters Affecting Hospitals and H.B. 5571-AAC Certificate of Need Requirements, Hospital Conversions and Medical Foundations. The importance of the issues you are considering cannot be overstated when it comes to the future of health care in Connecticut and our collective ability to shape it.

We think many of the proposals in these bills make sense and provide basic protections for future consolidations. However, we think it makes even more sense for the legislature to take its time to examine all of the issues related to the future of hospitals in Connecticut. Therefore, we would propose a ban or at least a moratorium on any future consolidations and/or sales to for-profit entities until we undertake a public process that engages stakeholders in determining what we want hospitals to be in the future and the best way to make this happen.

We recognize that the health care landscape is changing and believe that many hospitals will have significant capital needs to address these changes. We do not think a scattershot approach being driven by an out of state for-profit company – Tenet, a company that has paid over \$1,000,000,000 (one billion) to settle a series of fraud, overbilling, kickback and other allegations by its biggest client, the federal government over the past decade – is in the best interests of Connecticut. For Tenet to say, “oh ignore that; that was then, this is now” is one thing, but for the legislature to accept this rationale is another. This company’s desire to increase its market share by upending the Connecticut hospital system is not in the best interest of state residents unless there is much more due diligence and clear protections for consumers, workers, and communities.

It would make much more sense for the State of Connecticut to underwrite the increased capital costs in exchange for a greater emphasis on health outcomes and prevention, increased transparency, elimination of redundancies, job guarantees, system delivery reforms, and community benefit agreements.

Furthermore, we want to applaud Governor Malloy’s veto last year of the legislation relating to medical foundations to allow for-profit hospitals to engage in the corporate practice of medicine, and urge you to reject it in this year’s legislation. There has not been adequate public debate about why this is necessary, what it may entail, and what could be the impact on our health care system.

In closing, I want to make clear that we support these bill's efforts to increase transparency, emphasize community benefits, protect women's access to care, and improved process for proposed consolidations. However, we also want to reiterate our belief that it would be a mistake to allow these proposed conversions to go forward until it is understood how it fits into a larger plan for Connecticut's hospitals and to reject allowing for-profit companies to engage in the corporate practice of medicine in Connecticut.

Thank you.