

Mergers and acquisitions between health care entities like hospitals, hospital systems, and provider organizations are prolific in Washington State and can negatively impact cost, quality, and access to necessary health care services. Yet in Washington, these health entity consolidations receive minimal oversight, allowing large health care systems to dictate patients' access to care. Support the Keep Our Care Act, [SB 5688](#) and [HB 1809](#), to safeguard community access to quality affordable care.

WHAT WOULD THE KEEP OUR CARE ACT DO?

The Keep Our Care Act would ensure health entity mergers, acquisitions, and contracting affiliations improve rather than harm access to affordable quality care within a community. The bill includes:

- **A prohibition on health entity consolidations that diminish access to affordable quality care;**
- **Attorney General oversight, compliance, and enforcement power** to ensure health entity consolidations do not negatively impact access to health care services;
- **A health equity assessment** so that health entity consolidations address the needs of marginalized communities; and
- **Community input** through public notification of proposed consolidations and the opportunity for public hearings and comment.

WHY IS THE KEEP OUR CARE ACT NEEDED?

Mergers and acquisitions drive up costs for patients. [Research shows](#) hospital and provider organization consolidations generally lead to higher prices. Washington has first-hand experience: in 2017, Washington's [Attorney General sued CHI Franciscan](#) for consolidations that they asserted resulted in raised prices, increased wait times, and reduced services and locations.

Mergers and acquisitions do not improve the quality of care. [A recent national study](#) found that hospital acquisitions were associated with moderately worse patient experiences. [Washington hospital data](#) shows our large health systems rank poorly in quality measures, with patient satisfaction scores that are lower than independent hospitals.

Washington has seen recent consolidations restrict access to critical health care services – including reproductive and end-of-life care. This results in medically unnecessary hurdles, harmful delays, and increased travel time. These barriers and restrictions are discriminatory and unsafe.

- After Virginia Mason consolidated with CHI Franciscan, restrictions were placed on the provision of medical aid in dying and on abortion care.
- After Harrison Medical Center in Bremerton consolidated with Franciscan Health System, doctors at Harrison were no longer allowed to prescribe medication to assist with medical aid in dying and the health system restricted the provision of abortion care.
- After Swedish Health Services, based in King County, consolidated with Providence Health & Services, Swedish restricted the provision of abortion care.

“I CAN’T WAIT TO HEAR HOW CHI MESSAGES THE ADDITION OF TDC TO [FRANCISCAN MEDICAL GROUP]. ‘YOU CAN NOW GET YOUR OUTPATIENT CARE IN A COMPLEX, RELATIVELY UNSAFE, AND VASTLY MORE EXPENSIVE LOCATION. YOU ARE WELCOME, KITSAP COUNTY...”

– The Doctors Clinic former Physicians President, cited in Attorney General press release

“I AM PART OF THE LGBTQ+ COMMUNITY, AND WE KNOW THAT THESE HOSPITAL MERGERS CAN BRING NEW EXCLUSIONS WITH THEM... AND OUTRIGHT REFUSAL OF CARE FOR TRANSGENDER AND GENDER NON-CONFORMING PEOPLE. ”

– Marsha Botzer, Vice Chair, Equal Rights Washington

WASHINGTON HEALTH SYSTEMS HAVE MONEY

COMBINED ASSETS OF TWO OF THE LARGEST NONPROFIT
HEALTH SYSTEMS OPERATING IN WASHINGTON STATE

\$33.5 BILLION IN RESERVES

Oversight is needed to hold big health systems accountable. Large health systems in our state are sitting on billions of dollars in cash reserves and investments and receive our tax-payer money but face little accountability to the communities they serve. While they gobble up clinics and hospitals, workers and patients are burdened by the consequences. A [2017 Seattle Times investigation](#) found that after Providence Health & Services affiliated with Swedish Health it overhauled Swedish's Cherry Hill neuroscience program, adopting a high patient volume practice that increased revenue but "placed patient care in jeopardy." The investigation revealed Cherry Hill patients undergoing surgeries that were more invasive than available alternatives, medical staffers with massive caseloads, and staff complaints concerning inadequate patient care and "dubious decisions that resulted in patient harm and death."

Uninsured and underinsured individuals are disproportionately harmed when health systems do not prioritize community needs. In another 2017 lawsuit, the [WA Attorney General sued CHI Franciscan](#) for illegally failing to make charity care accessible to tens of thousands of low-income patients. The AG's lawsuit included former CHI Franciscan employees reporting that they were told to "never volunteer information about St. Joseph's charity care program to patients, even if they were obviously low income or homeless."

Mergers and acquisitions can exacerbate systemic inequities. Lack of market competition, combined with private health systems' efforts to increase revenues by attracting more patients with private insurance, [has been found](#) to lead to worsening health care access and outcomes for Medicaid patients - who are disproportionately People of Color. In Washington state, about 30 percent of the population identifies as non-white, but over 40 percent of Apple Health patients are people of color.

Rural communities deserve better. As health system ownership consolidates under fewer and fewer owners, mergers and acquisitions have an increasingly significant impact on those in rural and low-income communities where high costs, limited services, and a lack of alternative care sites can create insurmountable barriers to care.

Washington must join other states in protecting access to care. The COVID-19 pandemic has deepened systemic inequities and threatens to accelerate the rate of health entity mergers and acquisitions. Washington has the opportunity to join states like Massachusetts and Oregon that require oversight of these consolidations.

A RECENT STUDY FOUND THAT, "[F]OLLOWING HEALTH SYSTEM AFFILIATION, RURAL HOSPITALS EXPERIENCED A SIGNIFICANT REDUCTION IN ON-SITE DIAGNOSTIC IMAGING TECHNOLOGIES, THE AVAILABILITY OF OBSTETRIC AND PRIMARY CARE SERVICES, AND OUTPATIENT NON-EMERGENCY VISITS, AS WELL AS SIGNIFICANT INCREASE IN OPERATING MARGINS."

Supporters of the Keep Our Care Act – we are organizations that believe every Washingtonian deserves access to affordable, quality health care regardless of their identity, zip code, or medical needs.

American Association of University Women of Washington (AAUW-WA) • American Civil Liberties Union of Washington (ACLU-WA) • Alliance for a Healthy Washington • Cedar River Clinics • Compassion & Choices • Economic Opportunity Institute • End of Life Washington • Faith Action Network • Gender Justice League • League of Women Voters Washington (LWVWA) • Legal Voice • National Women's Political Caucus of Washington • Northwest Abortion Access Fund • Northwest Health Law Advocates • Planned Parenthood Alliance Advocates • Planned Parenthood of Greater Washington and Idaho • Pro-Choice Washington • Rainbow Center • Save Secular Healthcare • SEIU 1199NW • UFCW 21 • UTOPIA Washington • Washington State Coalition Against Domestic Violence • Washington State Coalition of Sexual Assault Programs • Washington State Nurses Association