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Dear Members of the House Health Care Committee,

I write to express HealthFirst's support of S 245: An act relating to notice to patients of new health care provider affiliations, as passed by the Senate.

Sec. 1 that requires hospitals to provide written notice about a new acquisition or transfer of health care providers to each patient served during the previous three-year period is important because the notifications patients currently receive do not indicate that the change in practice ownership may change their financial liability.

Sec. 2 which requires notice to the Office of the Attorney General prior to transactions that will result in a new affiliation between a hospital and health care providers is important in order for the state to keep an accurate record of hospital acquisitions of independent medical practices and to begin to develop an understanding of their impact on the overall cost of healthcare. This impact may be significant. For example, recent data HealthFirst obtained from Blue Cross Blue Shield shows that the payment for physician services increases by 200 - 300% when an independent practice is purchased by the state's largest hospital. In addition to increasing costs, acquisition of independent practices also decreases choices for consumers.

HealthFirst also supports Section 5 of S.245 relating to the GMCB's reporting their progress working with private health insurers to achieve fair and equitable reimbursement for professional services provided by the academic medical center and other providers. Ensuring that the GMCB continues to devote resources to reporting on this process is extremely important now, given that it looks as though the new payment plans being contemplated under a potential all-payer model will not address this fundamental inequity in the payment system.

Thank you for your consideration of these matters. I look forward to having the opportunity to come testify before you if I can be of further assistance in helping to deepen your understanding of these issues.

Kind regards,

Amy Cooper
Executive Director