



2020 Northern California State of Reform
Virtual Health Policy Conference

The Emerging Impact of Business Voices in Health Policy

August 18, 2020

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Executive Director for Health Policy



Agents for Change

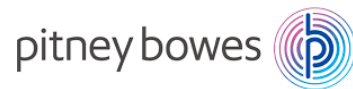
PBGH Members - Partial List



American Airlines



Caltech

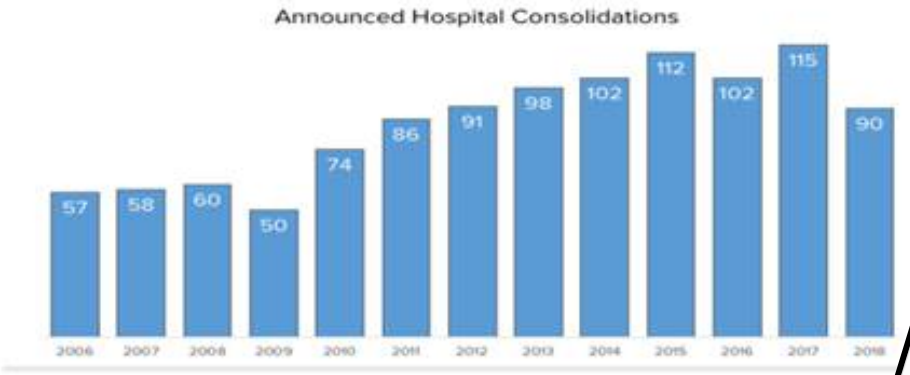


Anti-competitive Behavior

“The challenges of rising health care costs and market power will still be with us after Covid-19 has passed, and further consolidation will make costs even harder to restrain.” NEJM April, 2020

870 Hospital Consolidations between 2010 and 2018

NIHCM FOUNDATION Significant Consolidation Activity in Hospital Sector in Recent Years



The hospital industry has consolidated substantially during the past two decades and at an accelerated pace since 2010.

NEJM Study: Hospital acquisition by another hospital or hospital system was associated with:

- modestly worse patient experiences
- no significant changes in readmission or mortality rates.

The NEW ENGLAND JOURNAL of MEDICINE

Changes in Quality of Care after Hospital Mergers and Acquisition

Nancy D. Beaulieu, Ph.D., Leemore S. Dafny, Ph.D., Bruce E. Landon, M.D., M.B.A., Jesse M.B.A., and J. Michael McWilliams, M.D.

January 2, 2020
N Engl J Med 2020; 382:51-59
DOI: 10.1056/NEJMsa1901383

BACKGROUND The hospital industry has consolidated substantially during the past two decades and at an accelerated pace since 2010. Hospital mergers and acquisitions have increased the number of patients, but...

METHODS Using data from the National Inpatient Sample, we examined the rate of readmission and mortality in 2013, we conducted data analysis at the time before acquisition and after change in ownership.

RESULTS The study sample included 1,000 hospitals with a modest differential decrease in readmission rate (95% confidence interval [CI] -0.34; P=0.72) and no significant difference in 30-day mortality (95% CI -0.03; P=0.03), but this could not be explained by changes that occurred before...

The New York Times

Sutter Health to Pay \$575 Million to Settle Antitrust Lawsuit

The deal resolves allegations of anti-competitive behavior by the large hospital system in Northern California.

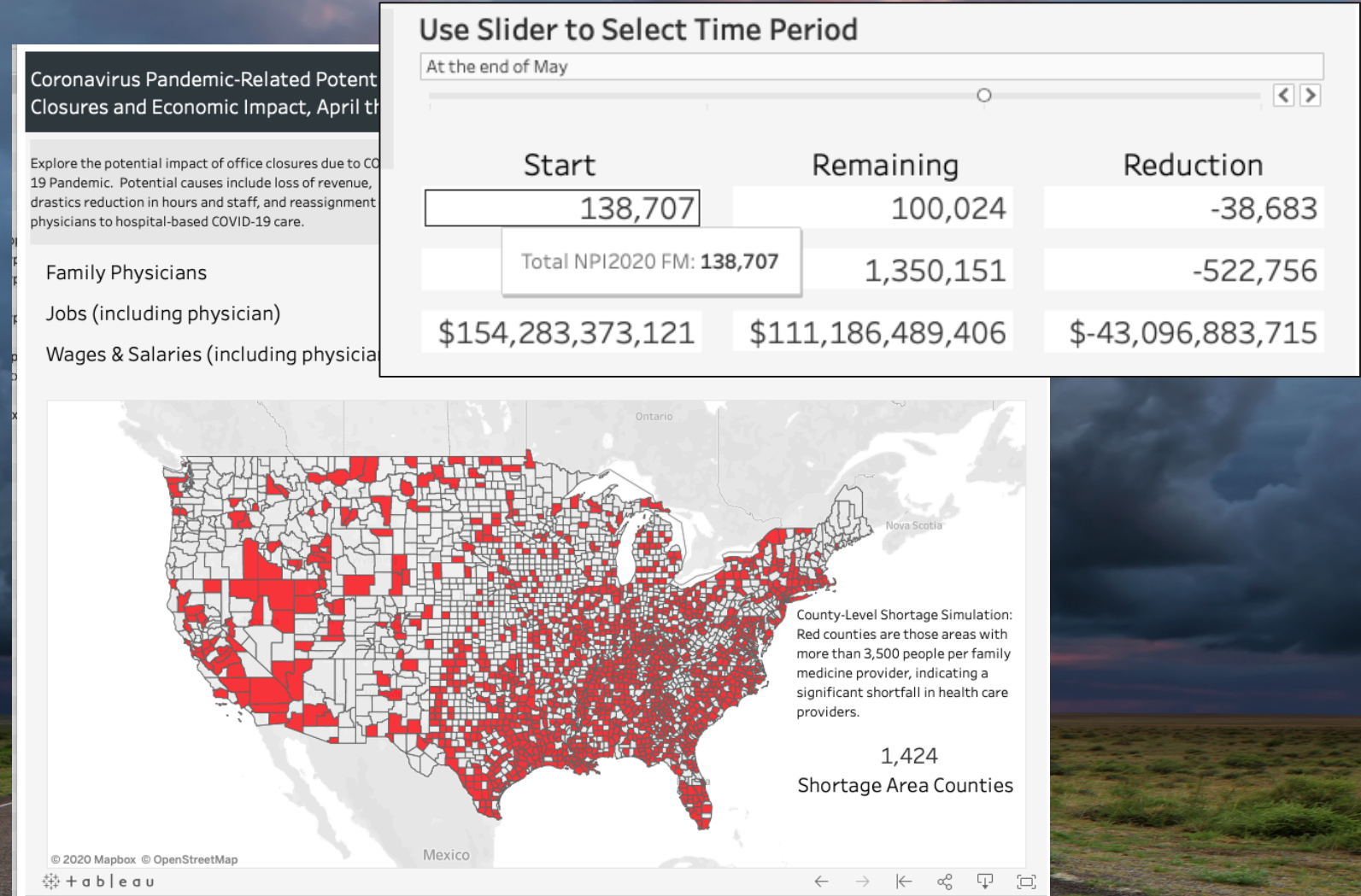


Primary Care at Risk

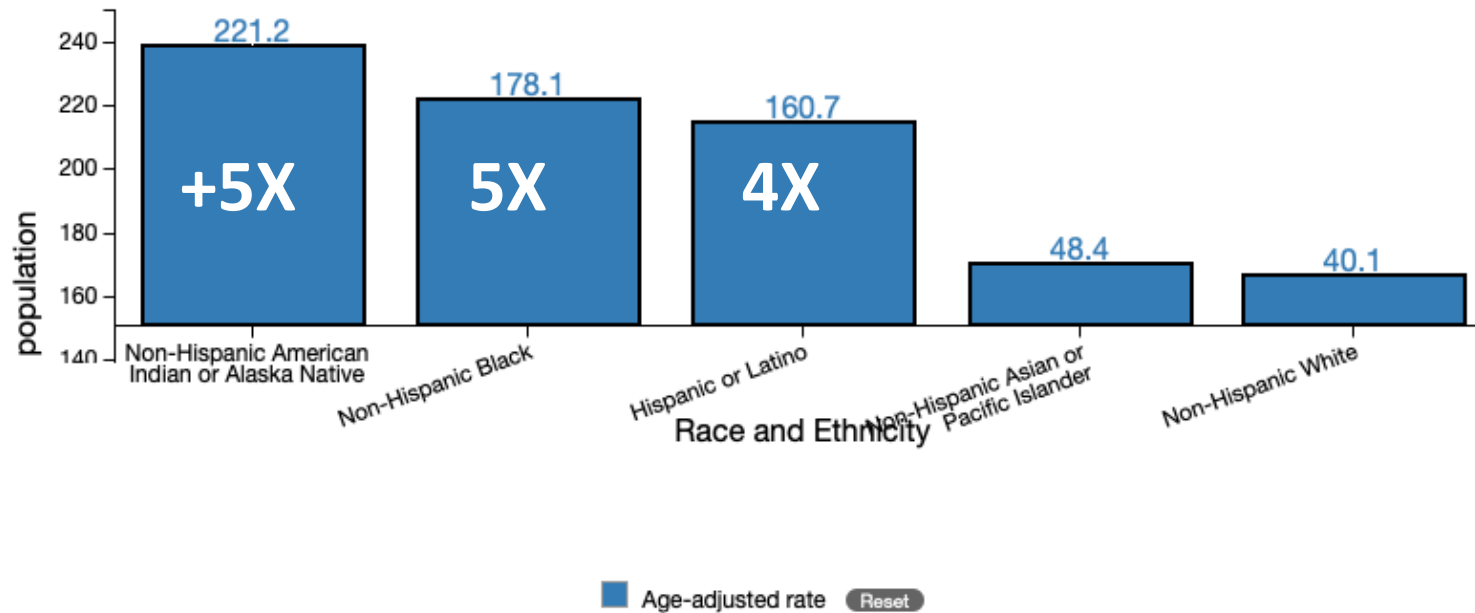
LOST:
60,000 PCP practices
800,000 jobs.

HFMA, June 2020

Regardless of a recovery,
the current system is too
fragile.



Age-adjusted COVID-19-associated hospitalization rates by race and ethnicity, COVID-NET, March – June 13, 2020



Age-adjusted COVID-19-associated hospitalization rates by race and ethnicity



ECONOMY | U.S. ECONOMY

Recession in U.S. Began in February, Official Arbiter Says

Start of downturn marks the end of 128-month expansion that began in June 2009



The NBER said the coronavirus pandemic and the public-health response have led to a downturn with different dynamics than prior recessions.

PHOTO: JEFF ROBERSON/ASSOCIATED PRESS

COVID-related financial pressures create a new sense of urgency to fix what's broken

The task now at hand: Take back the 25% of unnecessary and wasteful health care spending

Our public policy work continues:

- Anti-competitive practices
- Price gouging/surprise bills
- Primary care
- Behavioral health integration
- Health equity