



HOUSE COMMERCE AND CONSUMER AFFAIRS COMMITTEE

January 22, 2020

HB 1140 – Establishing a Hospital Merger Advisory Commission

Testimony

Good morning, Mr. Chairman and members of the committee. My name is Steve Ahnen, President of the New Hampshire Hospital Association (NHHA), representing all 26 of the state's community hospitals as well as all specialty hospitals.

It is no surprise to anyone in this room that the national health care landscape is changing more rapidly and more profoundly than ever before. Change is coming to every hospital in the nation and is now a normal part of health care so the question isn't if, but when and how that change will occur. Examples abound across the country and we have certainly seen an increase in activity here in New Hampshire.

To thrive in the changing healthcare environment, hospitals and health systems are implementing a range of strategies, from population health management and retail clinics to partnerships and alliances with other hospitals and health systems, insurers and physicians.

The goal of these new relationships is to make the health care system more efficient and effective, as well as to ensure access to important health care services and providers is maintained and strengthened. By building integrated systems of care, we are closer to the goal of providing the right care, at the right place, at the right time, every time.

HB 1140 seeks to create a hospital merger advisory commission that would be made up of legislators, regulators and members of the public to, as the bill language states, to, among other things, "monitor proposals to merge, and the mergers of, hospitals and other health care institutions in the state." While we certainly understand the growing interest in the changing health care landscape, it is not entirely clear how this new hospital merger advisory commission would interact, if at all, with the current regulatory authority and approval process that governs transactions between health care charitable trusts. Would this new advisory commission have any role in the review of pending transactions? Or would its purview be solely retrospective in nature with respect to individual transactions?

We have concerns that this new advisory commission could create significant confusion with respect to how hospitals and other charitable trusts would need to navigate the regulatory approval process in a pending transaction. The Attorney General's office, through the Charitable Trusts Unit, is the state regulator that currently reviews proposed transactions

between and among hospitals and other charitable trusts. Just this last session, the Legislature modified the standards by which they will review proposed transactions to ensure that they fully consider the impact of the proposed transaction on the needs of the community or communities which it serves, including the community's or communities' needs for access to quality and affordable physical and behavioral health care services. In addition, the changes adopted by the Legislature require the Director of the Charitable Trusts Unit to seek input and advice within state government, specifically the Departments of Health and Human Services and Insurance, in carrying out his or her duties with respect to a review of a potential transaction involving a hospital or charitable trust.

We met with Representative Cushing earlier this year to discuss the bill and appreciated the opportunity to learn of his intention in filing HB 1140 and shared with him our concerns at that time. As we noted then and have testified here, we are concerned that without clear direction and delineation between the regulatory approvals required under existing law, this new advisory commission could create significant confusion that would not be in the best interest of health care for all citizens in New Hampshire. As such, we cannot support HB 1140 at this time.

Thank you for the opportunity to provide our comments on HB 1140. I would be happy to answer any questions.