



July 18, 2018

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Jeffrey A. Kraut, Chair  
Public Health and Health Planning Council  
New York State Department of Health  
Corning Tower  
Empire State Plaza,  
Albany, NY 12237

RE: Project #181251-E: South Nassau Communities Hospital

Dear Chairman Kraut:

On behalf of the New York Health Plan Association (HPA), which represents 28 health plans that provide coverage to more than 8 million New York residents, I am writing regarding the proposal for Mount Sinai Hospitals Group to become the active parent of South Nassau Communities Hospital.

As the application states, "This affiliation is a proactive and strategic plan to ensure the future of health care in communities served by MSHG and SNCH by establishing a coordinated integrated healthcare system with the objectives of improving quality, increasing access and lowering the costs of healthcare in the communities they serve." We are concerned that this proposal will lead to higher prices, resulting in increased costs for employers and consumers.

The wave of mergers, acquisitions and affiliations among providers that is taking place will reshape the delivery system. Among the reasons that providers often cite for joining together is to improve quality, reduce costs, and support population health. While some have suggested that these changes will result in better integration and improved quality for patients, there is a growing body of research that provider consolidation typically has not resulted in greater efficiencies, better integration and improved quality, but instead costs have increased with no notable improvement in the quality of care for patients.

As the Council considers this application, if it is approved, we would urge that steps be taken to ensure it results in lower costs, better quality and greater clinical integration. This should include regular reporting to the Council of the following elements:

OFFICERS:  
*CHAIR*  
Don Ingalls  
HealthNow NY

*VICE CHAIR*  
Denise Gonick, Esq.  
MVP Health Care

*SECRETARY*  
Michael McGuire  
UnitedHealthcare

*TREASURER*  
Fr. Patrick Frawley  
Fidelis Care New York

*PRESIDENT & CEO*  
Eric Linzer

- Whether the transaction is resulting in lower costs as measured by changes in contract prices and health care spending;
- Whether integration is taking place by explaining any changes in referral patterns, how care is being directed to the most appropriate, lowest-cost setting, and efforts to coordinate care across facilities to avoid duplication of services; and
- Whether quality is improving as determined by changes in the performance on key quality measures.

Ultimately, provider consolidations should benefit employers and consumers through lower costs, not enhanced bargaining power, with the combined entities expected to truly function as a system, resulting in clinical integration and better delivery performance. Providing an ongoing process to review these and other transactions is essential to ensure that there is accountability of providers over the long-term to ensure that the promises made in advocating for specific transactions are promises kept in the future.

We appreciate the opportunity to offer our comments on this transaction. If you have any questions on our comments or require additional information please, do not hesitate to contact me at 518-462-2293.

Sincerely,

Eric Linzer  
President & CEO