

Submitter:

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On Behalf Of:

Committee:

Senate Committee On Health Care

Measure, Appointment or Topic:

SB1000

I have been a Coos Bay resident and local physician for 34 years. I watched Bay Area Hospital thrive as an institution until the past four years.

I just finished watching the recording of the testimony on SB1000. Hospital administration and the board member in attendance mentioned the proposed money would be required for bridge funds to help stave off an impending loan default until the private equity firm Quorum had completed its acquisition of our local hospital. They mentioned funds were needed for maintaining services such as obstetrics and that there were no other hospitals within 100 miles to provide this and other types of critical care. Interestingly though, the maternity program has already been cut in preparation for the takeover. Additionally, the current administration was solely responsible for the loss of other critical hospital departments, including but not limited to orthopedics, anesthesia and medical oncology. These physicians left since working with the current administration was intolerable (I have many supporting documents to back this up this claim). There has been zero effort made by the current administration to maintain services, the only service here is lip service.

Also, one of the first services that private equity firms will cut to bolster profits is obstetric care. The recently released U.S. Senate study regarding private equity management of healthcare confirms this. So the current administration doesn't care about obstetrics.

Additionally, the loan currently in "default" was used to finance a very expensive, unneeded EPIC EMR system. This system has been hugely dysfunctional, a very poor fit for the institution and has led to the loss of additional tens of millions of dollars due to billing errors and other system inefficiencies. A leading hospital turnaround expert mentioned that a hospital the size of BAH had no business buying such an expensive system. And interestingly, the entire EPIC system will be scrapped if Quorum takes over as they have their own EMR. So this default never needed to happen.

The entire acquisition deal suggests intentional mismanagement, a carefully engineered hospital failure necessitating a buyout through private equity. The proposed argument submitted of payor mix being responsible for the hospital's failure is hugely inaccurate and intentionally dishonest. Other similar hospitals are doing fine. The deal with Quorum was brokered behind closed doors, against the public's wishes and has been pushed way too hard. There are clearly financial incentives involved. There is no other rational explanation for the hospital's sudden failure.

Bottom line: Senate bill SB1000 should only allow the distribution of money to Bay Area Hospital if it remains an independent, public, community managed institution. The funds would then be used as intended, to bolster the institution. Funds from Oregon taxpayers should never go into the pockets of private equity or those of the current hospital management, either directly or indirectly. The requested funds should only be distributed if Quorum walks away or the deal is disallowed by the OHA.