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AG HEALEY WANTS "REAL MONEY ON THE TABLE" IN HOSPITAL MEGAMERGER [+AUDIO]

By Chris Triunfo and Michael P. Norton
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BOSTON, OCT. 23, 2018....Calling for "real money on the table" as part of any deal, Attorney General Maura Healey on Monday night said she would prioritize low-income communities and community-based hospitals in her continuing review of the Beth Israel Deaconess-Lahey Health mega-merger.

Healey spoke to the Greater Boston Interfaith Organization (GBIO) during a candidate accountability forum at the Islamic Society of Boston Cultural Center in Roxbury. Addressing a crowd estimated at 1,200 people, Healey discussed what she has asked her team to keep at the forefront as merger conditions are being considered, but said she was limited in what she could say while the merger is under review in her office.

Attendees at a Greater Boston Interfaith Organization candidate forum placed a blessing on Attorney General Maura Healey on Monday. [Photo: Chris Triunfo/SHNS]

"Enforceable terms in the deal need to protect the community-based health providers that are already affiliated with Beth Israel or Lahey," Healey told the crowd of faith leaders. "This includes our community hospitals and community health centers."

The merger was announced in July 2017 and has been under government review ever since. The deal involves, among other care providers, CareGroup's Beth Israel Deaconess Medical Center, New England Baptist Hospital, and Mount Auburn Hospital in Cambridge; Lahey Health System's Beverly Hospital, Addison Gilbert Hospital in Gloucester, BayRidge Hospital in Lynn and Winchester Hospital; and Seacoast's Anna Jacques Hospital in Newburyport.

Healey said members of her anti-trust, health care, consumer and charity legal teams have for more than a year been reviewing "legal issues and potential claims and to understand what this merger will mean for residents across this state."

"I've told my team that any deal has to address the potential for price increases. Period," Healey said. "And any conditions have to be clear, enforceable and guided by our shared goal to keep spending below the state's health care cost growth benchmark." The current benchmark is 3.1 percent.

Healey added, "B.I. and Lahey would have to make meaningful commitments to strengthen access to health care for low-income communities and communities of color, and any deal, any deal, would have to put real money on the table towards those commitments. We don't know and I can't say tonight exactly what the end result will be, but our talks are ongoing."

SHNS Audio: GBIO Candidate Forum

The state Health Policy Commission referred the merger to Healey and Public Health Commissioner Monica Bharel in September, with commission members hoping enforceable "guardrails" could be put in place to mitigate concerns that the deal will threaten access to care and push costs $250 million higher.

Following her testimony at the Health Policy Commission's annual health care cost trends hearing last week, Healey told the News Service that there would be "more to come" on the merger review "in the coming days and weeks," saying that her office is facing an intense amount of work. She also said that "strong conditions are needed," but did not elaborate on the kinds of conditions she would implement.

The state Public Health Council this month voted to tack on additional conditions addressing patient access, cost increases and investment in behavioral health and primary care. Among other measures, the conditions require the system to submit to the Department of Public Health a proposal for "how it will address the low percentage of MassHealth in its payer mix," and to make "good faith efforts" to ensure the number of MassHealth patients it serves does not drop. If the system's spending outpaces the state's health care cost growth benchmark, it would be required to develop a "community provider investment plan" supporting behavioral health and primary care, and to invest a portion of the excess expenses in keeping with that plan.

Beth Israel Deaconess CEO Kevin Tabb, who would serve as CEO of the new system, described the imposed conditions as "unprecedented." He told the council on Oct. 10 that he is still in talks with Healey and said the "totality" of conditions he expects to be imposed by the state "are strict, and take us to the outer edge of what I think is manageable."

"Yes, this is something that we can and must do, but it is approaching the outer limits of what's doable, and I need to further remind people that while I agree completely with many of the concerns that have been raised about the woes of health care in Massachusetts and in this country, we can't solve all of that on the backs of this single transaction," Tabb said earlier this month.

The GBIO invited Healey to their event to speak on the merger specifically. According to GBIO strategy team member Bonny Gilbert, the group wants conditions that would "fix prices," impose severe penalties or break up the merger if the cost increases that the HPC is predicting occur.

"Our governor and his Department of Public Health just rubber-stamped this merger," Gilbert said. She added, "But the attorney general is in negotiations right now, and she's the people's lawyer. She should fight and possibly bring a lawsuit if she can't get conditions with real teeth on the board."

According to the HPC, the Beth Israel Lahey Health transaction would give the new system enhanced bargaining leverage with commercial insurers, enabling it to increase prices by $128.4 million to $170.8 million a year for inpatient, outpatient, and adult primary care services. In addition to cost increases associated with bargaining leverage, spending for specialty physician services could rise by $29.8 million to $59.7 million annually, beyond the increases the parties would have otherwise received, the commission reported, calling its cost escalation estimates conservative.

"We have not received a picture that shows us the Commonwealth as a whole will benefit from this merger," commission member Don Berwick, who served as administrator of the federal Centers for Medicare & Medicaid Services during the Obama administration, said during the panel's review of the merger.

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