Giant Health Systems Lead to Giant Price Increases - Reform The Certificate of Need (CON) Process

LOCAL BUSINESS RELIEF COALITION

Increased Prices - Same Level of Care

Corporate hospital system consolidation has led to higher healthcare prices.

A substantial body of evidence shows that these consolidations have led to higher prices for consumers without a commensurate improvement in quality of care.

The Certificate of Need (CON) process requires hospitals to get State approval for various changes. Requiring a transparent analysis of pricing and the cost of care in CON applications would help regulators assess the impact on healthcare affordability for our communities.

- **Vertical healthcare consolidations have increased healthcare costs, including higher hospital and physician prices, and 10-20% higher patient expenditures.**
- **Hospital ownership of physician practices increased by 128% from 2012 to 2018.**
- **The percentage of physicians employed by hospitals rose from approximately 25% in 2012 to 44% in 2018.**

Limiting hospital systems from increasing prices after acquisition to no more than Medical CPI for 5 years would benefit consumers through lower costs and better quality.

To address rising healthcare costs, the CON process must account for impacts on healthcare costs and prices for patients. **This approach in CON applications will help combat automatic price increases upon acquisitions and unnecessary cost increases for all.**

The data is clear. Corporate hospital consolidation has driven up healthcare costs for New Yorkers. Hold these systems accountable!