



The collective voice of Long Island's not-for-profit and public hospitals

The Nassau-Suffolk Hospital Council
1383 Veterans Memorial Highway,
Suite 26
Hauppauge, NY 11788
(631) 435-3000 (phone)
(631) 435-2343 (fax)
www.nshc.org

Kevin W. Dahill, President and CEO

Member Hospitals

**Brookhaven Memorial Hospital
Medical Center, Patchogue**

**Catholic Health Services of Long
Island:**

**Good Samaritan Hospital Medical
Center, West Islip**

**Mercy Medical Center, Rockville
Centre**

**St. Catherine of Siena Medical Center,
Smithtown**

St. Charles Hospital, Port Jefferson

**St. Francis Hospital - The Heart
Center, Roslyn**

St. Joseph Hospital, Bethpage

**Eastern Long Island Hospital,
Greenport**

**John T. Mather Memorial Hospital,
Port Jefferson**

**Nassau University Medical Center,
East Meadow**

Northwell Health:

Glen Cove Hospital, Glen Cove

Huntington Hospital, Huntington

LJ Valley Stream, Valley Stream

**North Shore University Hospital,
Manhasset**

**Peconic Bay Medical Center,
Riverhead**

Plainview Hospital, Plainview

Southside Hospital, Bay Shore

Syosset Hospital, Syosset

**Stony Brook University Hospital, Stony
Brook**

Southampton Hospital, Southampton

**South Nassau Communities Hospital,
Oceanside**

**Veterans Affairs Medical Center,
Northport**

Winthrop-University Hospital, Mineola

OPPOSITION

MEMORANDUM

May 18, 2017

TO: Senate Majority Leader John Flanagan
Senate Coalition Co-Leader Jeffrey Klein
Members, Long Island Senate Delegation of the New York
State Legislature
Members, Hudson Valley Senate Delegation of the New York
State Legislature

FROM: Kevin W. Dahill, President and CEO

RE: S. 5044 (Hannon) – in Senate Finance
A. 6831 (Englebright) – referred to Assembly Finance

The Suburban Hospital Alliance of New York State, representing 51 hospitals and health systems on Long Island and in the Hudson Valley, opposes the Health Care Consumer and Provider Protection Act (S.5044/A.6831), a bill that would authorize independent physicians to collectively negotiate contract and payment terms with health insurance plans under a five-year demonstration project in Nassau and Suffolk counties.

In the present environment, where the marketplace is dominated by a few major national health plans, providers often have little choice but to consolidate into larger entities. We are sympathetic to the physician community's interest in banding together to achieve efficiencies and position themselves strategically in health plan negotiations. However, the state already provides pathways for physicians to do so that do not run afoul of federal antitrust statutes and established guidance.

The Federal Trade Commission (FTC) has expressed serious concerns with similar bills in other states over the past decade, highlighting the potential adverse impact on consumer welfare. In October 2011, the FTC commented that a similar proposal that would have authorized statewide negotiations would "likely lead to increased costs, reduced

innovation, and decreased access to health care for New York consumers, without countervailing benefits.” The comment letter warned that the bill posed a substantial risk of consumer harm because it would have exempted anti-competitive conduct from anti-trust scrutiny and therefore would have raised prices for consumers.

The FTC went on to state that antitrust law already permits collaborations that benefit consumers. The agency has repeatedly reinforced through policy and advisory opinions that collaborations among health providers that lead to clinically integrated care, improved quality and better access do not violate federal antitrust law. There is no public good served by creating a new mechanism intended to circumvent these guideposts. Physicians already have the opportunity under existing, legally accepted structures such as Independent Practice Associations to join together for the purposes of negotiating on a more level playing field with health plans.

For these reasons, the Suburban Hospital Alliance of New York State urges your opposition to S.5044/A.6831.