

HOSPITAL CONSOLIDATION: IMPACT ON NURSES AND ACCESS TO CARE

WHEREAS, Washington state has seen a steady growth in hospital consolidation over the past decade; and

WHEREAS, the percent of hospitals that belong to a multihospital system grew from 10% in 1986 to 46% in 2017, accounting for 79% of all hospital admissions (Bolton, 2022). These include small, regional systems and, increasingly, large corporate systems; and

WHEREAS, four large corporations increasingly dominate the healthcare landscape in Washington state:

- CommonSpirit Health (parent company of Virginia Mason Franciscan Health, which includes Catholic Health Initiatives [CHI]);
- Providence Health (which includes Swedish Health Services)
- PeaceHealth; and
- MultiCare Health Systems; and

WHEREAS, these large systems have grown by acquiring community hospitals and smaller regional chains; and

WHEREAS, of these systems, three of them are multistate corporations, accounting for 48.6% of licensed acute-care beds in Washington state (Shapiro, 2023); Providence operates in seven states; PeaceHealth in seven states; and CommonSpirit operates in 21 states, with its headquarters in Chicago; and

WHEREAS, the growth of these systems often moves the locus of control away from local hospital administration to corporate offices; this can lead to imposition of more rigid, system-wide policies, added layers of administration to resolve local issues, including at the bargaining table; and

WHEREAS, corporate policies on nurse staffing have also been used to overrule hospital committee-developed staffing plans, in violation of current staffing laws; and

WHEREAS, as more hospitals have been absorbed by religious-affiliated chains, many reproductive health services, including abortion, and gender-affirming care, have been sharply restricted or eliminated, thus reducing access in many areas; and

WHEREAS, expanded corporate influence over healthcare services has taken place not only through mergers and acquisitions, but also through other business arrangements; for example:

- MultiCare's 2023 takeover of Yakima Valley Memorial Hospital was by means of an "affiliation" agreement;

- In 2021, MultiCare loaned Astria, a two-hospital system in the Yakima Valley, \$75 million to allow Astria to emerge from bankruptcy, giving MultiCare a direct interest in Astria's operations; and

WHEREAS, hospital consolidation and growing corporate influence can also lead to reductions in other services: as MultiCare's affiliation of Yakima Valley Memorial was being finalized, Astria Sunnyside announced closure of its cardiac services and Astria Toppenish closed its maternity center, leading to widespread speculation that these closings were related to MultiCare's growing dominance of the healthcare market in the Yakima Valley; and

WHEREAS, further, Astria's 2017 acquisition of Yakima Regional Medical Center was followed by the closure in 2021 of that hospital as Astria entered into bankruptcy restructuring; and

WHEREAS, such elimination of services and hospital closures have an adverse impact on the health of communities and access to basic services, particularly in rural communities, as well as loss of employment for nurses and other healthcare workers; and

WHEREAS, the regulatory framework for hospital mergers, acquisitions, and closures of facilities or services is limited in scope; the current Certificate of Need process through the Department of Health does not allow for scrutiny of the impact of consolidation on access to services; does not require approval for closures of hospitals or hospital services; and allows some acquisitions to avoid the Certificate of Need process altogether by framing them as "affiliations;" and

WHEREAS, federal law (the WARN Act) requires advance notice before mass layoffs and several states have enacted their own, stronger laws; however, Washington state has yet to enact such a law;

BE IT THEREFORE,

RESOLVED, that WSNA will closely monitor Certificate of Need applications for potential impact on healthcare services and on nurses, advocating for protecting access to care and for our members as needed; and be it further

RESOLVED, that WSNA supports efforts to achieve stronger government oversight of proposed hospital consolidation, including assurance of access to reproductive health care, gender-affirming care, and basic services; and be it further

RESOLVED, that WSNA will encourage and support state and federal scrutiny of hospital consolidation for potential violation of laws designed to limit anti-competitive activity; and be it further

RESOLVED, that WSNA will support efforts to ensure advance notice to communities and employees before a hospital closes or before it discontinues any existing services; and be it further

RESOLVED, that WSNA will support requiring advance notice before hospital or unit closures or mass layoffs; and be it further

RESOLVED, that WSNA will partner with allies among labor, community, and public-interest organizations in supporting these efforts; and be it further

RESOLVED, that WSNA will collaborate with AFT affiliates in other states in which multistate systems operate to share information and develop common strategies; and be it further

RESOLVED, that WSNA encourages the Cabinet on Economic & General Welfare to outline strategies to address the implications of hospital consolidation and growing corporatization on our collective-bargaining members.

REFERENCES:

Bolton, D. (2022). *Hospital Mergers in Washington 1986-2017*. Research Brief No. 105, Washington State Health Services Research Project. Retrieved from <https://ofm.wa.gov/sites/default/files/public/dataresearch/researchbriefs/brief105.pdf>.

Shapiro, N. (2023). "Catholic health care restrictions lead WA Legislature to eye changes" *Seattle Times*, February 6, 2023.

Submitted by:

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WSNA Board of Directors