

June 28, 2022

To: Oregon Health Authority, Health Care Market Oversight Program
From: SEIU Local 49
RE: Public Comment on Proposed Transaction Between KAH Hospice and Falcon Hospice

First, SEIU Local 49 is pleased to see the Health Care Market Oversight Program up and running. We view it as a critical tool in the state's toolbox to protect the interests of Oregon's patients, communities, and economy. We offer the comments below regarding the proposed acquisition of KAH Hospice by Falcon Hospice in hopes that the state will use this opportunity to ensure this transaction will not result in any erosion of care and that the company will uphold the promises it makes in its application.

SEIU Local 49 is comprised of healthcare and property service workers throughout Oregon and SW Washington. Our mission as a union is to achieve a higher standard of living for our members, their families, and dependents by elevating their social conditions and by striving to create a more just society. Like many others, our members struggle to access affordable, high-quality care. Because of this, we have been tracking the impact of private equity's increasing investments in the healthcare field and have concerns about the proposed transaction between KAH Hospice and Falcon Hospice.

Falcon Hospice states that Oregon's facilities will experience no changes to the hospice locations, and no reduction in the number or quality of staff or services.ⁱ In short, they will continue to provide the same service Oregon has been experiencing. However, the private equity model is centered around short-term profits, which can result in aggressive tactics around cost-cutting and profit maximization.ⁱⁱ

Therefore, we urge the Oregon Health Authority to put in place conditions on the transaction that will ensure the applicants stay true to their word. We suggest that OHA adopt metrics that revolve around the four focus areas of the HCMO program. These could include:

- *Access To Services:* Average and median lengths of stays by location and payer; number of patients served by payer.
- *Health Equity:* Billing data for hospice patients during the last week of life, including information on patient race/ethnicity; discipline of the visiting staff; and branch location for each patient (to monitor for disparate number of hospital visits by professional staff based by race and geographic region).
- *Consumer Cost:* Patient days by billing category.
- *Quality:* Live discharge rates by case setting, staff breakdown of professional and non-professional.

Our concerns over the role of private equity within hospice care, and within Kindred Hospice specifically, are not unique to SEIU. Last fall, the United States Senate Finance Committee, chaired by Oregon Senator Ron Wyden, opened an investigation on Kindred Hospice seeking information about services provided and the impact of private equity investment on patients and their families. Wyden and other



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senators concluded: “We are concerned that when applied to hospice care, the private equity model of generating profit on a rapid turnaround can occur at the expense of dying patients and their families.”ⁱⁱⁱ

Given the documented concerns across peer-reviewed journals, government officials, and others, of this company specifically, and private equity generally, we think it is important that the Oregon Health Authority identify and monitor a set of metrics and identify a correction and remediation plan should the need arise.

We appreciate your leadership and attention to this matter.

Sincerely,

SEIU Local 49

ⁱ <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/2022-06-14-002-Falcon-Hospice-HCMO-Notice.PDF>

ⁱⁱ <https://jamanetwork.com/journals/jama-health-forum/fullarticle/2784807>

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<https://www.finance.senate.gov/imo/media/doc/080621%20Wyden%20Brown%20Warren%20Kindred%20Hospice%20Private%20Equity%20Letter.pdf>



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