



June 28, 2022

TO: Oregon's Health Care Mergers Oversight Program
FR: Maribeth Guarino, Oregon State Public Interest Research Group (OSPIRG)
RE: Falcon Hospice GP, LLC purchase of Kindred at Home Hospice

OSPIRG is a consumer advocacy organization with members across the state. We were strong supporters of the Health Care Mergers Oversight Program and thank you for the opportunity to provide comment on one of the first transaction notices filed in the state.

We have some concerns about this merger that I'd like to highlight here, namely regarding the transfer of majority ownership to a private equity partner. Private equity involvement in health care can provide some benefits like efficiency, but that efficiency can come at the cost of lower quality care and worse health outcomes.¹ In addition, the filing indicates that this transaction is happening out-of-state and ten entity levels above the Oregon hospice centers that will be affected. Though intended to be reassuring, this poses a serious concern that ownership from afar will not take the specific needs of the Oregon centers into consideration during decisionmaking processes, which could have further negative impacts on cost, quality, and outcomes now or in the future.

These hospice centers serve many Medicare and Medicaid beneficiaries, which are typically vulnerable populations and hospice care puts them in a more vulnerable position. We urge the oversight program to take these factors into consideration when conducting their review of this transaction.

We would also remind the reviewers that the program requires continued monitoring of transactions post-review, and regardless of the outcome of the review, the concerns noted here should merit vigilance over the effects of the transaction in the future. Although the filing states that there should be no effect on the current state of Kindred Hospices, continued monitoring will show any undue effects on cost, quality of care, or health outcomes that contradict the filing. In addition, it will also inform the program as to how to conduct future reviews, including what to look for and probable outcomes of these transactions. As one of the first notices filed for this oversight program, it is important to make these considerations thoughtfully, and we urge your careful review of this transaction.

¹ Maanasa Kona, "Understanding the Role of Private Equity in the Health Care Sector. Georgetown Center on Health Insurance Reform," 21 June 2022.
<https://chirblog.org/understanding-role-private-equity-health-care-sector/>