Issue Brief:
Partners HealthCare Acquisition of Care New England

Partners HealthCare, a massive Massachusetts-based health care system with the state’s highest priced hospitals, is moving to take over Rhode Island’s Care New England health system through an acquisition now being reviewed by Rhode Island officials. Partners plans to acquire CNE hospitals - all for free, and without any commitment to subsequently invest in them. Partners is already constrained by Massachusetts officials from expanding in that state, so they are seeking expansion in Rhode Island.

This proposed acquisition, if approved, will have significant consequences for Rhode Island, including:

- **Increased health care costs:**
  - Health care premiums will increase for businesses and their employees as Partners shifts high-end and specialty health care services to Massachusetts, avoiding rate caps set by the Rhode Island Office of the Health Insurance Commissioner (OHIC).
  - Independent analysis for OHIC shows:
    - Partners’ Mass General and Brigham are among the highest priced general acute care hospitals in Massachusetts.
    - Partners physician organizations are up to 50 percent more expensive than RI commercial physician fee schedules.
  - With its deep pockets, Partners could expand CNE’s physician group by offering physicians higher salaries to join. This will impact all Rhode Island hospitals’ ability to retain and attract physicians, already a problem in this state.
  - Partners has history of building stand-alone surgery centers. This could lead to duplication of clinical services already available in the state.

- **Negative impact on health care services:**
  - Rhode Island patients already are transferred to Boston, under an existing agreement between Partners and Care New England’s Kent Hospital exclusively for open-heart procedures.
  - In 2017, 150 patients from Rhode Island had open-heart surgery at a Partners hospital.
  - The expected dramatic increase in patients receiving care in Boston will put at risk the ability of patients to get this care in Rhode Island.
  - Each year from 2011 through 2018, more than 1,300 patients were transferred from Care New England’s Kent Hospital to Lifespan’s Rhode Island Hospital. Under this acquisition these patients would also likely head to Boston, further undermining the ability of Rhode Island hospitals to provide needed specialty health care services and increasing costs for the same care.
  - Rhode Islanders who have CNE providers will lose their choice of hospitals, and their only option will be to go to Boston.
Rhode Island officials permitted the closing of Care New England’s Memorial Hospital to help CNE shore up its finances in preparation for Partners’ acquisition, resulting in other hospitals picking up the responsibilities for care of Memorial’s patients.

- **Impact from lost jobs and weakened economy:**
  - Hundreds of back-end service jobs (e.g., accounting, purchasing) now in Rhode Island, throughout the Care New England health system, could be eliminated/moved to Boston.
  - As health care jobs and services leave Rhode Island, small businesses that rely on health care business will be negatively impacted.
  - Increases in premiums will hurt small businesses and their ability to invest in growing their operations and adding jobs.
  - Lifespan, Rhode Island’s largest employer, steadily grew its workforce by 25% from 2009 to 2017. Not only will this dependable employment growth stall, but existing jobs will be in jeopardy.

- **Loss of local decision making about RI health care:**
  - Unlike Rhode Island-based health systems, Partners would not be required to face cost reviews by the Rhode Island Health Insurance Commissioner for any care delivered in Massachusetts.
  - CNE represents 27% of inpatient hospital services in Rhode Island. If this acquisition is approved, 45% of all inpatient services would now be controlled by out-of-state corporations. This will greatly impact the state’s ability to accomplish health care reforms critical to ensure healthy communities and high-quality health care for Rhode Islanders.
  - Rhode Island will lose the charitable assets of CNE that our community helped build for decades. Also, Lifespan’s ability to continue to invest in mission-based services will be in jeopardy as its margins shrink.
  - In addition, Rhode Island will lose its potential to attract high-caliber medical and scientific professionals and a catalyst for future economic development opportunities.
  - The state will also lose an opportunity to bring together Women and Infants Hospital, Hasbro Children’s, and Bradley Hospital - all national leaders that would together provide world-class care for body and mind.
  - Another loss is the opportunity to benefit from bringing together Rhode Island, Butler, and Bradley hospitals, representing world-class, leading-edge mental health care and research.

**A Better Alternative**

Many experts, over many years, have recognized that our state needs a unified Rhode Island-based academic medical center, which can be achieved through a merger of Lifespan and Care New England. A unified health system is best for all concerned: patients, the state, the local economy, employers, research and academic medicine. In 2017, Brown University president Christina Paxson issued a vision statement, “A
Unified Academic Medical Center for Rhode Island,” in which she states, “Brown University proposes that Lifespan and Care New England merge and affiliate with Brown to create a consolidated world-class academic medical center that serves the Rhode Island community.”

A unified Rhode Island-based academic health system has always been the right thing to do for the people of Rhode Island.