



National Nurses
Organizing
Committee



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OUR PATIENTS. OUR UNION. OUR VOICE.

Jeff Landry, Attorney General
1885 North Third Street
Baton Rouge, LA 70802

Dear Attorney General Landry,

On behalf of 222,000 Registered Nurses (RN), with members in all fifty states, National Nurses United is writing to express our objection to the anticompetitive behavior exhibited in the greater New Orleans area by LCMC Health. The recent acquisitions from HCA Healthcare add three hospitals to the system's six-hospital portfolio, creating a two-system duopoly in New Orleans and giving LCMC and its competitor, Ochsner Health, unrestrained leverage over patients and health care workers. We fear this goes against the public interest, by leading to further consolidation, higher healthcare prices, and cuts to vital services. If your office approves this deal, we ask for contract conditions requiring LCMC to maintain all facilities and services, along with incorporating RN and patient priorities into the final sale agreement.

LCMC's acquisition of Tulane Medical Center drastically increases New Orleans' market concentration in an already highly concentrated market. Our analysis of the Herfindahl-Hirschman Index (HHI) in the New Orleans market finds LCMC's market share would increase to 55 percent—raising the HHI by 1,357 points to 4,995. Such a significant increase of HHI warrants the strictest scrutiny by the Louisiana Department of Justice.

Studies show highly concentrated health care markets often result in worse care and increasing healthcare prices. Accordingly, LCMC is already announcing cuts. LCMC plans to eliminate most in-patient services at Tulane Medical Center, a well-utilized hospital serving low-income patients. This spells disaster for many Louisiana residents. Tulane Medical Center has the state's only comprehensive stroke center and performs specialized transplants not done anywhere else in Louisiana.

With LCMC already announcing its intent to close the majority of inpatient services at Tulane Medical Center, and the substantial research tying highly concentrated markets to price increases, it is clear the sale does not meet Louisiana's threshold to garner a certificate of public advantage, as detailed in LA Rev Stat § 40:2254.4 (2015): *B. The department may not issue a certificate unless the department finds that the agreement is likely to result in lower health care costs or is likely to result in improved access to health care or higher quality health care without any undue increase in health care costs.*

LCMC and Ochsner controlling the entire New Orleans health care market virtually guarantees less access to health care services. We appreciate your attention to the concerns raised in this letter and urge you to block the proposed transaction. If you are interested in hearing directly from Tulane Medical Center nurses, please contact me at BVanWaus@NationalNursesUnited.Org and we can arrange a meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read 'BVanWaus', with a long, sweeping underline.

Bradley Van Waus
Southern Region Director