



Health Professionals and Allied Employees/AFT/AFL-CIO
Statement of Jeanne Otersen
HPAE

In Support of S2532
March 9, 2009
Senate Commerce Committee

HPAE, representing 12,000 nurses and healthcare workers, supports S2532, requiring additional public participation and analysis in the event of a conversion of a health service corporation to domestic stock insurer. In other words, as Blue Cross/Blue Shield prepares to become a for-profit company, we believe the concerns raised about a loss of access to care, increase in cost, and unfair competition among insurers and the impact on our hospitals all give rise to the need for ever tighter oversight by our state agencies.

Our member, 12,000 nurses and healthcare workers, are on the frontlines of a broken healthcare system. Every day, they struggle against increasingly difficult circumstances to deliver quality health care to their patients. Every day, many of our hospitals come closer to the financial edge.

One of the major reasons our system is broken is the unfair advantage large insurance companies have in demanding deep discounting from hospitals in return for their business. We all pay the difference. And, when insurers don't get the contract they want, the hospital loses their 'business' – meaning patients lose access to their community hospitals.

In a not-so-funny twist, hospitals that have lost their contract with Blue Cross/ Blue Shield, in the short-run gain through charging out-of-network rates to their patients. Again, we all pay for that. In the long run, physicians and patients go elsewhere, leading to financial losses for our hospitals.

If, in a time when the stock market is bottoming out, we have the obligation to know that the stock will be properly valued, and that the access to capital – a major reason for the conversion – is a reality.

Our state government has an obligation, we believe, to look at these issues closely when deciding whether the conversion is in the public interest. We have the obligation to include consumers and patients a voice in the process.

At a time when our national government is committed to making national health care reform a reality, we have the obligation to make sure that conversion to for-profit will not affect access to health care in our state. We urge your support for S2532. Thank you.