

HCS HB 3170 -- POWERS OF THE CURATORS OF THE UNIVERSITY OF MISSOURI

SPONSOR: Knight

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Rural Issues by a vote of 8 to 3. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 9 to 1.

The following is a summary of the House Committee Substitute for HB 3170.

This bill authorizes the Curators of the University of Missouri to acquire, manage, lease, purchase, sell, or otherwise acquire an interest in or participate in the ownership or operation of hospital, medical, or other health care facilities or providers with the specified 25 county area. The bill provides that the benefits for engagement in such activities and states that such benefits outweigh adverse impacts on competition.

The bill expressly affirms a policy for the curators to pursue such activities and provides an immunization from liability for taking specified actions in the following twenty-five-county area: Adair, Audrain, Boone, Callaway, Camden, Chariton, Cole, Cooper, Gasconade, Howard, Linn, Macon, Maries, Miller, Moniteau, Monroe, Montgomery, Morgan, Osage, Pettis, Phelps, Pike, Pulaski, Randolph, and Saline.

However, the engagement in such activities will remain subject to any state certification of needs laws. Nothing in the bill should be construed to grant immunity for price-fixing, bid-rigging, or market-allocation schemes without inquiry into their alleged reasonableness.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that this bill would allow University of Missouri Health Care to move quickly to help distressed hospitals and health care services in its current service territory. Currently, antitrust laws serve as a barrier to helping distressed health care systems. Currently, over 20% of rural hospitals in Missouri are considered distressed and at risk for closure.

Testifying in person for the bill were Representative Knight; Laura Morris, University of Missouri Healthcare; Randall Haight MD, University of Missouri Health Care-Capital Region; Ric Ransom, University of Missouri Health Care; Callaway Chamber of Commerce; William S. Hellebusch, Hermann Area Hospital District; and Tom Rackers, Rackers Consulting.

OPPONENTS: Those who oppose the bill say that antitrust and anticompetitive laws protect consumers. Monopoly health care systems tend to have poorer health outcomes and higher costs. This bill also does not have any requirement that the health care system targeted for acquisition be distressed.

Testifying in person against the bill were Arnie Dienoff; Missouri Health Plan Association; and Missouri Insurance Coalition.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.