



Private Equity and Nevada Healthcare

Jesus Vidueira, Culinary Health Fund President
Before the Interim Health and Human Services
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Culinary Health Fund

Non-profit labor management trust fund providing benefits to Culinary Union workers and their dependents – approximately 130,000 lives – since 1981.

Funded by collective bargaining agreements that are negotiated by unions and funded by hospitality employers.

Employ several hundred and large payer to healthcare providers in the Las Vegas Valley.

Member of the Health Services Coalition, which includes 25 plans covering over 250,000 health care patients in the Las Vegas Valley.



Culinary Health Centers



Culinary Health Center – Nellis opened June 2017
First of its kind in Las Vegas, exclusively serving Culinary participants and their dependents



Culinary Health Center –
Durango opened May 2023

Our Services:

- Primary care
- Pediatric care
- Dental care
- Eye care
- Mental health counseling
- Copay Free Pharmacy
- Physical therapy and acupuncture
- Laboratory
- Wellness classes
- Little to no copays for most services

Our Mission:

The Culinary Health Center is dedicated to helping our Culinary members live healthier lives. Working together with our medical partners, we are changing the way healthcare is delivered to the Culinary community. We strive to create an environment where every culinary member has high-quality care, better access to medical services, and an exceptional patient experience.



SB 329 – Competition in Health Care Markets

Passed 2021 (81st Session)

Sponsored by Senators Lange and Doñate

Critical transparency legislation requiring post-transaction (60 days) notification to Nevada Department of Health and Human Services (DHHS) of hospital and physician group mergers and acquisitions.

DHHS is to prepare an annual report regarding market transactions and concentration in health care based on the notices.

Also passed AB 278 (Assemblywoman Duran, 81st Session) requiring physicians to list the company they work for on their license application – an initial effort to understand physician ownership.

Market Impacts in Nevada

- Research literature shows:
 - Private equity ownership is accelerating and is associated with higher costs to U.S. patients and payers, workforce cuts, and mixed to harmful impacts on quality¹⁻⁵
 - Private equity acquisitions of U.S. physician practices grew sevenfold from 2012 to 2021⁴
 - PE market share of physician practices in 10 specialties was 10-30% of the Reno and Las Vegas MSAs in 2021⁴
(Specialties: Gastroenterology, Dermatology, Urology, ObGyn, Ophthalmology, Radiology, Oncology, Orthopedics, Primary Care, Cardiology)
- Private equity has significant control of Nevada's healthcare market. However, little is understood about its footprint in the state and overall impact.
- In Nevada, we have seen major consolidation in the ownership of physician specialties, the growth of expensive models like Free Standing ERs from large, for-profit systems, and hospitals hiring physicians, leading to:
 - Reduced competition
 - Cancelled contracts
 - Higher price demands/costs
 - Delayed care
 - Physicians locked into non-compete agreements

Private Equity in Nevada (not complete)

	Portfolio Company / Private Equity Sponsor	Nevada Operations
Air/Ground Ambulance	Air Methods / American Securities American Medical Response (Global Medical Response) / KKR	Mercy Air Services AMR Las Vegas (Metro) and MedicWest Ambulance (East Clark County)
Ambulatory Surgery Centers	AmSurg / KKR pre-bankruptcy restructuring US Acute Care Solutions / Apollo Global Management, TowerBrook Capital	4 surgery centers (3 in Las Vegas, 1 in Reno) Carson Tahoe Sierra Surgery (Carson City)
Hospitals	LifePoint Health / Apollo Global Management Quorum Health Corporation / GoldenTree Asset Management	Northeastern Nevada Regional Hospital (Elko) Mesa View Regional Hospital (CAH - Mesquite)
Long-term Acute Care	ScionHealth / Apollo Global Management	Kindred Hospitals
Behavioral Health	Behavioral Health Solutions / Levitate Ridge Capital Center for Autism & Related Disorders / Blackstone Group LEARN Behavioral / Gryphon Investors and PineBridge Investments Mentor Network (aka Sevita, Civitas Solutions) / Centerbridge Partners, Vistria Group Proud Moments ABA / Audax Group Sequel Youth & Family Services / Altamont Capital	Behavioral health, home health Autism services School-based Autism services Foster Care, I/DD Autism services Foster care, troubled teen programs, autism



Private Equity in Nevada (not complete)

	Portfolio Company / Private Equity Sponsor	Nevada Operations
Physician Groups		
Anesthesia	US Anesthesia Partners (NV) / Welsh Carson Anderson & Stowe, Berkshire Partners, and GIC	115 anesthesiologists & 45 CRNAs
Dermatology	Platinum Dermatology / Sun Capital Partners	Las Vegas Skin & Cancer Clinics (6)
Radiology	Radiology Partners	Desert Radiology
Physician Staffing	Envision Physician Services / KKR pre-bankruptcy restructuring	Humbolt General Hospital (Winnemucca), Northern Nevada Medical Center (Sparks), ER at Spanish Springs (Sparks), ER at McCarran (Reno), UHS Hospitals, Boulder City Hospital
	IPC Healthcare/TeamHealth /Blackstone Group	
	Sound Physicians of Nevada /Summit Partners	UMC
	TeamHealth /Blackstone Group	Sunrise/HCA hospitals ERs & FSEDs, Banner Churchill Community Hospital (Fallon), Northern Nevada Hospital (Elko), Las Vegas area post-acute care practice
Urgent Cares	Concentra / Welsh Carson Anderson & Stowe	

Private Equity in Anesthesia and Emergency Medicine in Nevada

- A research study published in *Health Affairs Scholar* found that **40% to 50%** of the Nevada anesthesia and emergency medicine markets were controlled by PE and publicly-traded companies in 2019⁶
- TeamHealth controlled **15% or more** of the emergency medicine markets in Nevada and eight other states in 2019⁶
- US Anesthesia Partners (USAP) controlled **30%** of the Nevada and Colorado anesthesia markets and 36% of the Texas market in 2019⁶

Federal Actions

FTC vs. USAP: The FTC sued USAP and their PE firm owner last September “alleging the two executed a multi-year anticompetitive scheme to consolidate anesthesiology practices in Texas, drive up the price of anesthesia services provided to Texas patients, and boost their own profits.”⁷

“Private equity firm Welsh Carson spearheaded a roll-up strategy and created USAP to buy out nearly every large anesthesiology practice in Texas. Along with a set of unlawful agreements to set prices and allocate markets, these tactics enabled USAP and Welsh Carson to raise prices for anesthesia services—raking in tens of millions of extra dollars for these executives at the expense of Texas patients and businesses.” **FTC Chair Lina M. Khan**

Federal Probe Launched Last Week: FTC, DOJ and HHS are concerned private equity deals may generate corporate profits “at the expense of patients’ health, workers’ safety and affordable care” and are seeking information on the effects of private equity in healthcare.⁸⁻⁹

Bipartisan Congressional Investigation into Private Equity Hospital Ownership: Senate Budget Committee Ranking Member Chuck Grassley (R-Iowa) and Chair Sheldon Whitehouse (D-R.I.) opened a bipartisan investigation last December into the impacts of private equity ownership on our nation’s hospitals.¹⁰

“When it comes to our nation’s hospitals, a business model that prioritizes profits over patient care and safety is unacceptable. The shocking events at Ottumwa Regional Health Center prompted me to ask tough questions about how financial maneuvers by private equity and related companies have negatively impacted the resources, and thereby the patient care, at our rural hospitals. Iowa residents, including those living in rural areas, shouldn’t have to settle for anything less than the highest quality of care. **Ranking Member Grassley**

State Regulators

The Colorado Attorney General agreement with USAP of Colorado: Resolves an investigation into the company's anticompetitive business practices that drove up prices for consumers receiving surgical anesthesia services. The company did not admit any wrong-doing but will end contracts with five Colorado hospitals, release and modify non-compete agreements with clinicians, and completely end their non-compete agreement practice within 18 months.¹¹

“When private equity gets involved in health care with a focus on raising prices to make a quick buck, bad things happen for consumers. USAP's overall business model focused less on serving patients, and more on increasing profits through acquisitions and anticompetitive tactics. Today's action promises to reestablish a competitive market, which will enable better care for patients, lower costs for consumers, and fewer employment restrictions for health care professionals.”

Colorado Attorney General Phil Weiser

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Thank you!
