

>> SLIDE 1



2024 Annual Conference on Independent Living

BACK TO THE FUTURE

Presented by the National Council on Independent Living

>> SLIDE 2

DME, LTCFs and Healthcare: What Private Equity Has Do with It, What It Means, and How to Combat It

“The greatest threat to disability services is private equity.”*

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>> SLIDE 3: What Is Private Equity?

- Private equity firms invest the money they collect on behalf of the fund's investors (pension funds, sovereign wealth funds, endowments and very wealthy individuals) then aim to take control of a business for a relatively short time, restructure it, and resell the company at a profit.
- The number one factor private equity firms focus on is the ability to grow revenue.

>> SLIDE 4: What PE Does

- Private equity fundamentally takes away consumer autonomy and dismantles access to vital healthcare and community-based services essential to our well-being and independence.
- In finding how private equity is impacting disability services, we are flying not only blind, but we cannot even find the owners.

>> **SLIDE 5: What PE Does** (continued)

- We really don't know if public money goes to consumer care.
- We do know that the money for nursing home bail out during Covid did not go to patient care; most was spent administratively and/or to investors.
- It will always be profit before consumers of private or private equity owned disability services.

>> SLIDE 6: How PE Effects Our Services

Examples of negative impacts include:

- Workforce layoffs in DME leads to long repair times and material shortages
- Closure of home healthcare providers, home and community-base service providers, nursing facilities, mental health services, hospitals, and clinics

>> SLIDE 7: How PE Effects Our Services

(continued)

- Decrease choice of providers offering specific services
- Significant decreases in quality of care with correlating increases of neglect, abuse, isolation, institutionalization, and death of people with disabilities and aging adults
- PE now taking over: Autism and Youth Behavioral Svcs, Special Education, Foster Care, Home Health, HCBS, Guardianships, Hospice, Housing, Nursing Facilities, Prison Svcs, Transportation, VA Svcs, Insurance, MCO's

>> SLIDE 8: What PE Means to Consumers & Our IL Philosophy

- IL values will always be for the betterment of disability services and resources, to help people live in our communities. Individuals with disabilities have the inherent right to self-direction in autonomy.
 - Self-determination, consumer control, consumer direction, and person-centered planning gives us the dignity to make sound choices to fully participate and integrate into our community.
- PE's wealth extraction of our services always will be contrary to our philosophy – *and* exacerbates the structural ableism, racism, and economic disparities that already exist in our healthcare system.

>> SLIDE 9: What PE Means to Consumers & Our IL Philosophy (continued)

- PE cannot make a profit by giving us better services; it will always be profit over people. This threatens our access to community living and better inter-dependent/independent living at its core.
- PE's focus on profit margin eliminates better quality of care or service, including quality of staffing, more staffing, the quality of the programs that exist, and innovative programs that could be instigated.

>> SLIDE 10: What PE Means to Consumers & Our IL Philosophy (continued)

- PE is fundamentally incompatible with the quality of disability services and healthcare.
 - Healthcare should include support systems for a path towards community-based living.
 - Substandard services inherently degrade our ability to stay in the community instead of institutions.

>> SLIDE 11: **What PE Means to Consumers & Our IL Philosophy** (continued)

- We have the right not to be segregated into institutions, group homes, guardianships. We have the right for services to live outside of institution or nursing home or guardianship.
- We have the right to advocate our federal, state or local government to enforce, to implement, to regulate and to access our civil rights.
- **Our philosophy of consumer control, and consumer direction must be incorporated into any system**, so that it promotes integration and participation of disabled persons in the community.

>> SLIDE 12: DME Connecticut

- CT is the first state in the country to directly regulate the PE-owned companies which have taken over the wheelchair supply business
- Passed a law that imposes a deadline for timely repairs and creates a council of stakeholders which will receive mandatory reports from the industry so their compliance can be monitored

>> SLIDE 13: DME CT (continued)

- The law also bars prior authorization for wheelchair repairs by Medicaid and private insurance payers (to the extent regulable by the state) for the first five years after purchase, which will remove a cause of repair delays not within the industry's control.
- If necessary, future legislation can impose monetary sanctions for continued non-compliance.” Sheldon Tubman

>> SLIDE 14: DME CT (continued)

- Coming Together
- The DATA: CT Survey and the Industry (PE)
- Wheelchair Repair Task Force
- The Bill
- Volunteer to help get similar laws passed in your state!
https://bit.ly/ct2024_sb308_info

>> SLIDE 15: DME Massachusetts

- Partnership of BCIL, Disability Consortium Policy (DPC) and the Disability Law Center (DLC)(Massachusetts P&A), combining grassroots community organizing, policy advocacy and legal advocacy.
- Legal advocacy included 50 survey of wheelchair warranty/repair laws around the country, done by joint fellow for DLC and National Consumer Law Center.
- Resulted in realizing our law was among the worst, and proposing new bill so it would be among the best.

>> **SLIDE 16: DME MA** (continued)

2022-23 Legislative Session:

- Negotiations with wheelchair industry unsuccessful
- Media work and organizing around committee hearing and personal stories; coalition building
- Bill passed Senate but not House before session ended

>> **SLIDE 17: DME MA** (continued)

2023-2024 Legislative Session:

- More media work; organizing
- Bill passes Senate again; currently pending in House and facing industry opposition
- For updates see **S.2546**, <https://malegislature.gov/Bills/193/S2546>

>> SLIDE 18: **Key Components S.2546**

- Expands warranty to 2 years, enforceable by consumers
- Requires assessments of defects in 3-7 days and loaner chairs within 4-8 days
- Expands lemon law remedies
- Requires provider to have inventory of parts available & overnight shipping
- Requires provider record keeping

>> SLIDE 19: **S.2546** (continued)

- Has enforceable remedies through arbitration, consumer lawsuit (double damages + equitable relief + attorney's fees) or Attorney General action
- Requires industry to pay collateral costs if they fail to repair
- Removes prior language in statute related to unauthorized modifications

>> SLIDE 20: **S.2546** (continued)

- Applies to both providers and manufacturers
- States consumer need only make chair available by allowing provider to come to home or place where wheelchair is used.
- Requires provider to give estimated timeframe for any repairs.

>> SLIDE 21: DME DREDF

- Mobility Device User Survey: A Brief Summary Report
<https://dredf.org/2024/03/12/mdus-summary/>
- Tell Us Your Story of Medicare Not Covering the Wheelchair You Need
<https://dredf.org/2024/03/11/call-for-medicare-stories/#respond>

>> SLIDE 22: Resources

State Contacts (they will, if needed, send you to other advocacy and legal organizations that they have been working with):

CT- CT Wheelchair Reform Coalition

<http://Facebook.com/wheelchairreform>

MA - Disability Policy Consortium

advocacy@dpcma.org

>> **SLIDE 23: Resources** (continued)

Bills:

CO – Colorado Cross Disability Coalition

<https://leg.colorado.gov/bills/hb22-1031>

<https://leg.colorado.gov/bills/hb22-1290>

CT – Wheelchair Reform Bill

<https://cga.ct.gov/2024/ACT/PA/PDF/2024PA-00058-R00SB-00308-PA.PDF>

>> SLIDE 24: Federal Legislation/Committees

The Health over Wealth Act

<https://www.markey.senate.gov/healthoverwealth>

H.R.5648 - Stop Wall Street Looting Act

<https://www.congress.gov/bill/117th-congress/house-bill/5648>

>> SLIDE 25: Committees/Agencies

Senate Budget Committee Digs into Impact of Private Equity Ownership in America's Hospitals

<https://www.budget.senate.gov/chairman/newsroom/press/senate-budget-committee-digs-into-impact-of-private-equity-ownership-in-americas-hospitals>

Federal Agencies Launch Public Inquiry Into Private Equity Control Over Healthcare

<https://www.hhs.gov/about/news/2024/03/05/issue-request-for-public-input-as-part-of-inquiry-into-impacts-of-corporate-ownership-trend-in-health-care.html>

>> SLIDE 26: **Committees/Agencies** (continued)

When Health Care Becomes Wealth Care: How Corporate Greed Puts Patient Care and Health Workers at Risk

<https://www.help.senate.gov/hearings/when-health-care-becomes-wealth-care-how-corporate-greed-puts-patient-care-and-health-workers-at-risk>

>> SLIDE 27: Online Searches

Private Equity Stakeholder Project

<https://pestakeholder.org/>

KKF

<https://www.kff.org/>

Beckers Hospital Review

<https://www.beckershospitalreview.com/>

>> SLIDE 28: **Books**

- “Plunder: Private Equity Plan to Pillage America” by Brendan Ballou (also on Audible Audiobook)

>> SLIDE 30

Questions?