

United States Senate
WASHINGTON, DC 20510

June 27, 2023

Office of the Attorney General
40 Capitol Square, SW
Atlanta, GA 30334

Dear Attorney General Carr,

Thank you for allowing the community and concerned Georgians to participate in a public comment period regarding the proposed merger between Wellstar Health System (Wellstar) and Augusta University Health System (AUHS).

I write in conditional support of the proposed partnership between Wellstar and AUHS. However, I urge you to ensure that any approved transactions contain terms to protect and expand community benefits across the state, particularly in the Augusta region, and maintain the level of care currently provided at AUHS, as consistent with the public interest standard established under Georgia law.¹

AUHS offers world-class care, with a Level I trauma center that serves 13 counties and 478 in-patient beds at the Medical Center. Additionally, the Children’s Hospital of Georgia, part of AUHS, is the only hospital in the area that exclusively serves children, with 154 beds, the region’s only Level IV neonatal intensive care unit, and a Level II pediatric trauma center.² AUHS is also affiliated with the esteemed Medical College of Georgia (MCG), the only public medical school in the state. However, the strain of the COVID-19 pandemic and the challenges of being a publicly funded hospital have left AUHS in a fragile position. That is why I support a financial partner that will allow AUHS to continue providing world-class care for years to come.

Georgia law directs Wellstar to make disclosures regarding “[w]hether sufficient safeguards are included to assure the affected community continued access . . . to the range of services historically provided by the nonprofit corporation.”³ These safeguards are particularly necessary in light of Wellstar’s abrupt closure of Atlanta Medical Center (AMC) last year, which left a community without access to doctors and strained other hospitals in the Metro Atlanta area.⁴ Wellstar’s actions with respect to AMC raise questions about the reliability of Wellstar’s continued work with AUHS.

Like AMC did before closure, AUHS plays a critical role in the community by serving a disproportionate share of uninsured and underinsured patients. Should you approve this merger, I urge you to ensure that Wellstar commits to long-standing investments in AUHS. Therefore, I recommend you require that any merger agreement contain the following commitments from Wellstar:

¹ GA Code § 31-7-406.

² See <https://www.augustahealth.org/childrens-hospital-of-georgia>.

³ GA Code § 31-7-406(11).

⁴ Ariel Hart and Stephanie Lamm, *Thousands of Patients Losing Atlanta Doctors’ Offices After AMC Closes*, Atlanta J.-Const. (Dec. 9, 2022), <https://www.ajc.com/news/coronavirus/thousands-of-patients-losing-atlanta-doctors-offices-after-amc-closes/2DKJD7AAENARBG16Q2GVOGX4OM>.

1. **Do not move or shut down services currently offered at the AUHS Medical Center.** AUHS currently offers 37 lines of service, contributing to the elite reputation of the care delivered at that hospital.⁵ AUHS has received top hospital recognition for heart attack, kidney failure, heart failure, and stroke care.⁶ Cutting any of these service lines would be disruptive and unacceptable. While I am glad to see Wellstar’s commitment to maintaining services at the AUHS Medical Center for ten years,⁷ in light of AUHS’ significance in the community, any agreement should require Wellstar to maintain any existing service lines for at least twenty years after the merger is finalized. Additionally, Wellstar should be prohibited from moving any lines of service outside of Richmond County for the same period, so that Augusta residents will continue to have access to care at the main Medical Center, where they have for decades.
2. **Allow AUHS providers to remain in Augusta.** AUHS has been a flagship hospital, offering the highest quality of care for decades. Any agreement should require Wellstar to commit to allowing current providers (doctors, nurses, physician assistants, etc.) the freedom to stay in the Augusta area, if preferred, instead of relocating providers from Augusta to serve its existing hospitals in the suburbs of Atlanta or other future locations, including Columbia County. I understand the value of a cross-collaborative health care system, but Wellstar must also maintain the current standard of care in Augusta. That is why I also encourage any agreement include the removal of the threat of non-compete agreements should Wellstar close any hospital within AUHS.
3. **Provide robust community benefits that benefit preventive health.** Non-profit hospitals such as Wellstar are required to provide community benefits to maintain their tax-exempt status.⁸ I applaud Wellstar’s past efforts in providing charity care to uninsured and underinsured patients. However, communities also benefit from contributions that support preventive health and general community wellness. I recommend any agreement to encourage Wellstar to invest in Augusta, and other locations across the state, through various benefit categories in addition to charity care. Specifically, I recommend any agreement to require Wellstar to commit to community benefit spending equal to its current median percent spent across its other facilities. Additionally, a meaningful share of the spending should be directed to preventive categories for marginalized residents of Wellstar’s service area.
4. **Agree to price constraints for hospital services.** Research shows that hospital mergers within a state, but not within the same geographic market, often result in price increases post-merger.⁹ Past merging hospitals have agreed to freeze commercial unit price payments for a certain number of years post-merge. I recommend any agreement requires Wellstar to commit to freezing the prices of services at AUHS for at least ten years after the merger is finalized.¹⁰ This

⁵ See <https://www.augustahealth.org/services>.

⁶ See <https://www.augustahealth.org/about-us/awards-recognition>.

⁷ See Proposed Member Substitution Transaction by and between AU Health System, Inc. and Wellstar Health System, Inc. at 22 (available at <https://www.augustachronicle.com/story/news/healthcare/2023/05/02/wellstar-augusta-university-health-file-merger-agreement-with-ga-attorney-generals-office/70164608007>).

⁸ 26 U.S.C § 501.

⁹ Dafny, Ho, and Lee, *The Price Effects of Cross-Market Hospital Mergers*, National Bureau of Economic Research (Mar. 18, 2016), <https://www.kellogg.northwestern.edu/docs/faculty/dafny/price-effects-of-cross-market-hospital-mergers.pdf>.

¹⁰ See also GA Code § 31-7-406(11) (requiring “sufficient safeguards . . . to assure the affected community continued access to affordable care”).

will ensure that Augusta patients may continue to access affordable care, and the cost of health care in Georgia will not increase dramatically.

5. Establish a MCG program to benefit primary care across the state, including in Atlanta.

Georgia is experiencing crisis levels of health care workforce shortages, needing an additional 700 primary care providers to eliminate the current shortage.¹¹ The proposed merger gives Wellstar access to the promising future providers studying at MCG. I recommend any agreement requires Wellstar to tap into this valuable resource and train the next generation of primary care doctors. It should be left to Wellstar’s discretion what that program entails, but I request that any agreement last a minimum of ten years and partially serve underserved areas of the state, including where former AMC patients are still reeling from the closure of that hospital.

6. Commit to providing relief for patients with medical debt. With the new ownership of AUHS, patients may be confused about what that means for their pocketbook and specifically what that means for any existing or future medical debt. I recommend any agreement require Wellstar to commit, for at least ten years, to pause sending medical debt (for existing debt before the merger and post-merger debt) to debt collectors and credit reporting agencies and instead work in good faith to ensure the patient continues to have access to care.

Wellstar’s entrance into the Augusta region comes with considerable responsibility. As Wellstar CEO Candice Saunders has noted, this merger has the potential to “improve the health of the community, address social determinants of health and expand access to quality care for all Georgians.”¹² However, considering Wellstar’s recent history of hospital closures, I urge you to ensure the merging parties include the commitments listed above in any merger agreement to guarantee this merger truly serves the needs of Augustans and Georgians across the state, consistent with the statutory obligation to protect the public’s interest.

Thank you for opening a public comment period to allow Georgians to discuss the proposed merger. I look forward to seeing the growth and innovation at AUHS and the opportunity for Wellstar to confirm its commitment to equitable health care across all communities.

Sincerely,



Reverend Raphael Warnock
U.S. Senator

¹¹ Sofi Gratas, *Nearly Every Georgia County Faces a Shortage of Primary Care Providers*, GPB, (Jan. 17, 2023), <https://www.gpb.org/news/2023/01/17/nearly-every-georgia-county-faces-shortage-of-primary-care-providers>

¹² See *Augusta University Health System, Wellstar Health System announce letter of intent for statewide health care partnership*, <https://www.wellstar.org/articles/augusta-university-health-system-wellstar-health-system-announce-letter-of-intent>.