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Senate Budget Committee Probes Impact of Private Equity on U.S. Hospitals

On Dec. 7, Senate Budget Committee Chairman Sheldon Whitehouse (D-RI) and Ranking Member Chuck Grassley (R-Iowa) [launched a bipartisan investigation](#) into the effects of private equity ownership on U.S. hospitals.

In letters to CEOs of six private equity firms that have an ownership stake in various U.S. hospitals, the senators said they were concerned about the impact of private equity as it relates to staffing reductions, negative health outcomes, debt and facility closures.

“As private equity has moved into health care, we have become increasingly concerned about the associated negative outcomes for patients,” Chairman Whitehouse said. “From facility closures to compromised care, it’s now a familiar story: private equity buys out a hospital, saddles it with debt, and then reduces operating costs by cutting services and staff—all while investors pocket millions. Before the dust settles, the private equity firm sells and leaves town, leaving communities to pick up the pieces.”

According to the release from the Senators, their investigation started with a private-equity-owned hospital in Iowa where female patients were sexually assaulted while sedated by a now-deceased nurse practitioner who overdosed and died at the facility. They have since expanded the probe to private equity groups that own hospitals in California, Pennsylvania, Rhode Island and others.

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