

May 16, 2017

Dear Member of Congress:

We, the undersigned organizations, wish to express our support for the “Patient Access to Higher Quality Health Care Act of 2017.” This common-sense legislation would repeal the controversial moratorium on expansion and new construction of physician-owned hospitals (POH).

The Affordable Care Act (ACA) included a provision that strictly prohibits any new POH from participating in Medicare or Medicaid. Furthermore, the ACA also prohibits existing POHs from expanding unless they meet a very complicated set of criteria as part of a long application process. These hospitals provide some of the highest quality care in the country and help meet a growing demand for health care services, especially in rural areas.

Consumer Reports Magazine reported that hospitals run by physicians have been shown to run more efficiently and have higher quality patient outcomes than those run by non-physicians or appointed boards. And these hospitals are not just providing high-quality care and contributing to local economies – they are saving the government money. An analysis by Avalon Health Economics found POHs are saving Medicare \$3.2 billion over ten years.

Concerns that POHs could have an incentive to serve only the most profitable patients have been proven baseless. A comprehensive, peer-reviewed study published by the British Medical Journal recently found that overall, “physician-owned hospitals have virtually identical proportions of Medicaid patients and racial minorities and perform very similar to other hospitals in terms of quality of care.”

This arbitrary ban on new and expanded POHs is bad for our entire health care system and penalizes patients who deserve the right to receive care at the hospital of their choice. POHs inject much-needed competition into the hospital marketplace, incentivizing traditional hospitals to improve and innovate. And POHs allow doctors, who know patient care best, to be more involved in some of the day-to-day decision-making of the hospitals.

We urge Congress to put patients first and pass the “Patient Access to Higher Quality Health Care Act of 2017.”

Sincerely,

**American Association of Orthopaedic Surgeons**

**American Medical Association**

**American Osteopathic Association**

**Physician Hospitals of America**

**American Association of Neurological Surgeons/ Congress of Neurological Surgeons**

**American Academy of Otolaryngology—Head and Neck Surgery**

**American College of Surgeons**

**American Academy of Ophthalmology**

**American College of Cardiology**

**American Alliance of Orthopaedic Executives**  
**American Association for Hand Surgery**  
**American Association of Hip and Knee Surgeons**  
**American Orthopaedic Foot & Ankle Society**  
**American Orthopaedic Society for Sports Medicine**  
**American Shoulder and Elbow Surgeons**  
**American Society for Surgery of the Hand**  
**Arthroscopy Association of North America**  
**Musculoskeletal Tumor Society**  
**Scoliosis Research Society**  
**National Association of Spine Specialists**  
**Orthoforum**  
**Rothman Institute**  
**Premier Orthopedics**  
**OrthoIndy**  
**Peachtree Orthopedics**  
**Ortho Georgia**  
**Signature Medical Group**

**Texas Orthopaedic Association**  
**Utah State Orthopedic Society**  
**Indiana Orthopaedic Society**  
**South Dakota State Orthopaedic Society**  
**Kansas Orthopaedic Society**  
**Washington State Orthopaedic Association**  
**Iowa Orthopaedic Society**  
**Maryland Orthopaedic Association**  
**Massachusetts Orthopaedic Society**  
**Connecticut Orthopaedic Society**  
**Minnesota Orthopaedic Society**  
**Ohio Orthopaedic Society**  
**Orthopedic Society of Oklahoma**  
**Delaware Society of Orthopaedic Surgeons**  
**Colorado Orthopaedic Society**  
**Pennsylvania Orthopaedic Society**  
**Medical Society of Virginia**  
**New Jersey Orthopaedic Society**  
**Maryland State Medical Society**  
**New Mexico Medical Society**  
**Idaho Medical Association**  
**Medical Association of Georgia**  
**Texas Medical Association**  
**Nebraska Medical Association**  
**Missouri State Medical Association**

**Tennessee Medical Association**  
**Wyoming Medical Association**  
**Illinois State Medical Society**