

## Physician-Led Hospitals Coalition Letter

July 27, 2023

We, the undersigned organizations, representing physicians and patients, support the Patient Access to Higher Quality Health Care Act (S. 470/H.R. 977), introduced by Senator James Lankford (R-OK), Congressman Michael C. Burgess, M.D. (R-TX) and Congressman Henry Cuellar (D-TX). The legislation would improve patient access to high quality physicians and hospital services, and address hospital consolidation by allowing physician-led hospitals to compete.

A diverse cadre of experts – including the Medicare Payment Advisory Commission, the Congressional Budget Office and academic researchers – have detailed how hospital consolidation hurts patients and the healthcare system, citing increased prices, higher costs for federal programs and consumers and lower quality outcomes. S. 470/H.R. 977 would eliminate section 6001 of the Affordable Care Act (ACA), which has restricted the expansion and new development of physician-led hospitals for more than a decade. Since the ban went into effect, highly concentrated hospital markets have continued to grow – driven by hospital mergers and buyouts of physician practices by increasingly large health systems.

Physician-led hospitals represent a successful healthcare delivery model that focuses on the most important partnership in healthcare, the physician-patient relationship. No other individual in the healthcare system possesses the high level of clinical expertise that physicians have acquired through lengthy and rigorous training. As a result, it is only logical to apply that clinical expertise to the operational side of a hospital. Experts from Georgetown University, Johns Hopkins University, the Medical College of Wisconsin and the University of Vermont concluded in 2021 that specialty physician-led hospitals “provide higher quality care at lower cost with greater efficiency” than other hospitals. Notably, the authors of this study concluded that “new and expanded physician-led hospitals ‘should be allowed to participate in the Medicare program to lower costs, improve quality, and increase choice for Medicare beneficiaries.’”

Further, in a 2023 [white paper](#), antitrust lawyers and experts with the U.S. Dept. of Justice, the Federal Trade Commission and the American Medical Association laid out the case for physician-owned hospitals (POHs), “This [ACA] provision, a biproduct of legislative horse-trading, was entirely inconsistent with the laudable goals of the ACA, which were to expand coverage and promote competition in insurance markets to drive down costs and improve quality.” The white paper concluded that “by removing the POH ban, Congress would free physicians to invest and innovate in the hospitals where they apply their expertise every day. Congress should unleash their potential to inject much-needed competition into healthcare markets.”

More than a decade of data has proven that the arbitrary ban on physician-led hospitals limits competition and reduces access to millions of seniors. Physician-led hospitals inject much-needed competition into the hospital marketplace, creating incentives for innovation and quality improvement. The indiscriminate prohibition on new physician-led hospitals and the expansion cap on grandfathered hospitals penalizes patients who deserve the right to receive care at the hospital of their choice. In addition, it places an unnecessary strain on our entire healthcare system.

Physician-led hospitals allow physicians, who are the ultimate experts in patient care, to be involved in the day-to-day decision-making of the hospitals. It is not a coincidence that our nation's first hospitals were operated by physicians. We urge Congress to pass S. 470/H.R. 977 to put patients and local communities first.

Sincerely,

Alabama Medical Association  
Alabama Orthopaedic Society  
American Academy of Allergy, Asthma & Immunology  
American Association of Orthopaedic Surgeons  
American Academy of Otolaryngology- Head and Neck Surgery  
American Academy of Physical Medicine and Rehabilitation  
American Association of Hip and Knee Surgeons  
American Association of Neurological Surgeons  
American College of Allergy, Asthma & Immunology  
American College of Cardiology  
American College of Surgeons  
American Gastroenterological Association  
American Medical Association  
American Osteopathic Association  
American Shoulder and Elbow Surgeons  
American Society for Surgery of the Hand Professional  
Organization  
American Urological Association  
Arizona Medical Association  
Arkansas Medical Society  
Arkansas Medical Society  
Arthroscopy Association of North America  
California Medical Association  
California Orthopaedic Association  
Colorado Orthopaedic Society  
Congress of Neurological Surgeons  
Connecticut Orthopaedic Society  
Connecticut State Medical Society  
Georgia Orthopaedic Society  
Hawaii Medical Association  
Idaho Medical Association  
Illinois Association of Orthopedic Surgeons  
Illinois State Medical Society  
Indiana State Medical Association  
Iowa Medical Society

Iowa Orthopaedic Society  
Kansas Medical Society  
Kentucky Medical Association  
Louisiana Orthopaedic Association  
Louisiana State Medical Society  
Maine Medical Association  
Maryland Orthopaedic Association  
Massachusetts Medical Society  
Massachusetts Orthopaedic Association  
Medchi, The Maryland State Medical Society  
Medical Group Management Association  
Medical Society of Delaware  
Medical Society of New Jersey  
Medical Society of the District of Columbia  
Michigan Orthopaedic Society  
Michigan State Medical Society  
Minnesota Orthopaedic Society  
Mississippi State Medical Association  
Missouri State Medical Association  
Missouri State Orthopaedic Association  
Montana Medical Association  
Nebraska Medical Association  
New Jersey Orthopaedic Society  
New Mexico Medical Society  
North Carolina Medical Society  
North Carolina Orthopaedic Association  
North Dakota Medical Association  
North Dakota Orthopaedic Society  
Ohio State Medical Association  
Oklahoma State Medical Association  
Oregon Medical Association  
OrthoForum  
Pennsylvania Medical Society  
Pennsylvania Orthopaedic Society  
Physician Advocacy Institute  
Physician-Led Healthcare for America  
SC Medical Association  
South Dakota State Medical Association  
South Dakota State Orthopaedic Society  
Tennessee Medical Association  
Tennessee Orthopaedic Society

Texas Association of Neurological Surgeons  
Texas Chapter, American College of Cardiology  
Texas Medical Association  
Texas Orthopaedic Association  
Utah Medical Association  
Vermont Medical Society  
Virginia Orthopaedic Society  
Washington State Medical Association  
West Virginia Orthopaedic Society  
Wisconsin Medical Society  
Wisconsin Orthopaedic Society