Resolution: 235  
(A-18)

Introduced by: Washington

Subject: Hospital Consolidation

Referred to: Reference Committee B  
(R. Dale Blasier, MD, Chair)

Whereas, Hospital consolidation has increased substantially over the last 5 years and as many as 20% of all US hospitals will seek a merger in the next 5 years; and

Whereas, None of the geographic health care markets in the US are considered “highly competitive,” and 90 percent of metropolitan areas have highly concentrated hospital markets;¹ and

Whereas, Highly concentrated hospital markets increase hospital prices, reduce choice, and reduce physician practice options;² and

Whereas, The market power of hospital conglomerates in many, if not most, geographic health care markets far exceeds health insurance plans’ market power resulting in excessive hospital cost inflation; and

Whereas, Conglomerate chain hospitals can make decisions about the regional care offerings without respect for the individual patient’s preferences; and

Whereas, Hospital rate setting commissions, like in Maryland, can reduce total expenditures and excessive hospital cost inflation without shifting costs to other parts of the health care system;³ therefore be it

RESOLVED, That our American Medical Association actively oppose future hospital mergers and acquisitions in highly concentrated hospital markets (New HOD Policy); and be it further

RESOLVED, That our AMA study the benefits and risks of hospital rate setting commissions in states where highly concentrated hospital markets currently exist. (Directive to Take Action)

REFERENCES
² CMS Rep. 5, A-17

Fiscal Note: Not yet determined

Received: 05/02/18
RELEVANT AMA POLICY

Specialty Hospitals and Impact on Health Care H-215.968
Our AMA supports and encourages competition between and among health facilities as a means of promoting the delivery of high-quality, cost-effective health care.
Citation: BOT Rep. 15, I-04; Reaffirmation A-09; Reaffirmed: CMS Rep. 05, A-17