Whereas, The COVID-19 pandemic resulted in unprecedented human suffering on a scale unbeknownst to modern society since the 1918 Flu Pandemic with over 700,000 Americans dead nationwide while physicians suffered moral injury, burnout, exhaustion, and depression due to a lack of preparedness; and

Whereas, The healthcare delivery system faced massive operational challenges, stimulating policymakers to re-examine care delivery markets, including the harms of health system consolidation and mergers;

Whereas, In a large part because of mergers, the majority of Americans now live in highly concentrated health care delivery markets, including both hospital systems and health systems, the latter comprised of both outpatient practice chains, hospitals, and other healthcare service markets; and

Whereas, The harms of health care delivery consolidation and mergers are significant and directly negatively affect patients. Specific harms are numerous and well-documented, including a lack of quality benefits and decrements in patient experience, higher hospital prices, decreasing patient access and driving rising health insurance premiums, both of which harm patients; and

Whereas, Increasing consolidation of physicians into health systems decreases physician control over medical practice, hampers independent practice and choices over how and where

physicians practice medicine⁹, and places corporations at the center of the patient-physician relationship, thus driving burnout due to a loss of control over the public environment¹⁰; and

Whereas, Systemic harms of health system and hospital consolidation are more insidious and long-term, including a loss of innovation in care delivery and productivity as manifested by over twenty years of absent labor productivity growth, a finding unparalleled by other industries¹¹; and

Whereas, Health care delivery consolidation is a bipartisan problem, acknowledged by both Democrats¹² and Republicans¹³; and

Whereas, The AMA is a national leader in addressing consolidation in healthcare and bringing the patient voice to these conversations with its “Competition in health insurance: A comprehensive study of U.S. Markets” now in its twentieth year¹⁴. The AMA successfully used this study in 2016 to conduct further analyses to assist the U.S. Department of Justice and National Association of Attorneys General to successfully challenge the Anthem-Cigna and Aetna-Humana mergers¹⁵; therefore be it

RESOLVED, That our American Medical Association undertake an annual report assessing nationwide health system and hospital consolidation in order to assist policymakers and the federal government in assessing healthcare consolidation for the benefit of patients and physicians who face an existential threat from healthcare consolidation. (Directive to Take Action)

Fiscal Note: Modest - between $1,000 - $5,000

Received: 03/17/22

RELEVANT AMA POLICY

Hospital Consolidation H-215.960

Our AMA: (1) affirms that: (a) health care entity mergers should be examined individually, taking into account case-specific variables of market power and patient needs; (b) the AMA strongly supports and encourages competition in all health care markets; (c) the AMA supports rigorous review and scrutiny of proposed mergers to determine their effects on patients and providers; and (d) antitrust relief for physicians remains a top AMA priority; (2) will continue to support actions that promote competition and choice, including: (a) eliminating state certificate of need laws; (b) repealing the ban on physician-owned hospitals; (c) reducing administrative burdens that make it difficult for physician practices to compete; and (d) achieving meaningful price transparency; and (3) will work with interested state medical associations


to monitor hospital markets, including rural, state, and regional markets, and review the impact of horizontal and vertical health system integration on patients, physicians and hospital prices.
Citation: CMS Rep. 07, A-19

Health Care Entity Consolidation D-383.980
Our AMA will (1) study the potential effects of monopolistic activity by health care entities that may have a majority of market share in a region on the patient-doctor relationship; and (2) develop an action plan for legislative and regulatory advocacy to achieve more vigorous application of antitrust laws to protect physician practices which are confronted with potentially monopolistic activity by health care entities.
Citation: BOT Rep. 8, I-15

Hospital Merger Study H-215.969
1 It is the policy of the AMA that, in the event of a hospital merger, acquisition, consolidation, or affiliation, a joint committee with merging medical staffs should be established to resolve at least the following issues:
(A) medical staff representation on the board of directors;
(B) clinical services to be offered by the institutions;
(C) process for approving and amending medical staff bylaws;
(D) selection of the medical staff officers, medical executive committee, and clinical department chairs;
(E) credentialing and recredentialing of physicians and limited licensed providers;
(F) quality improvement;
(G) utilization and peer review activities;
(H) presence of exclusive contracts for physician services and their impact on physicians' clinical privileges;
(I) conflict resolution mechanisms;
(J) the role, if any, of medical directors and physicians in joint ventures;
(K) control of medical staff funds;
(L) successor-in-interest rights;
(M) that the medical staff bylaws be viewed as binding contracts between the medical staffs and the hospitals; and
2. Our AMA will work to ensure, through appropriate state oversight agencies, that where hospital mergers and acquisitions may lead to restrictions on reproductive health care services, the merging entity shall be responsible for ensuring continuing community access to these services.

Physicians' Ability to Negotiate and Undergo Practice Consolidation H-383.988
Our AMA will: (1) pursue the elimination of or physician exemption from anti-trust provisions that serve as a barrier to negotiating adequate physician payment; (2) work to establish tools to enable physicians to consolidate in a manner to insure a viable governance structure and equitable distribution of equity, as well as pursuing the elimination of anti-trust provisions that inhibited collective bargaining; and (3) find and improve business models for physicians to improve their ability to maintain a viable economic environment to support community access to high quality comprehensive healthcare.
Citation: Res. 299, A-12; Reaffirmed: Res. 206, A-19