WHEREAS, The American health care economy has changed in many ways; and
WHEREAS, The phenomenon of health care consolidation has changed from practice acquisitions and mergers to now involving joint ventures, strategic alliances, affiliations, and other agreements between companies; and
WHEREAS, Federal Vertical Integration Guidelines were published on June 30, 2020, yet obvious health industry anti-competitive vertical mergers continue to emerge despite these guidelines; and
WHEREAS, Those same guidelines were later retracted in 2021; and
WHEREAS, When assessing the potential impacts of a health care merger, it is important to ask whether the patient or the public will benefit; and
WHEREAS, Unregulated mergers and strategic alliances have the potential to reduce competition and allow companies to raise prices and/or decrease quality without losing market share; and
WHEREAS, According to a study by the Physicians Advocacy Institute, between 2019 and 2020, 48,400 physicians left independent practice, particularly in southern states; and
WHEREAS, Consolidation at levels approaching that of monopolies goes against current calls for health equity, promotes, waste, and enables administrative fiscal drain and injustice in the health care workforce; therefore be it
RESOLVED, That our American Medical Association advocate quickly for legislative action toward identify more cautious and reasonable measures of vertical consolidation and thresholds for antitrust enforcement in the health care industry for immediate use (Directive to Take Action); and be it further
RESOLVED, That our AMA advocate at the federal level to remedy existing antitrust violations under such more equitable thresholds, as such mergers and acquisitions have destabilized the industry and contributed to the departure of physicians from private practice into employed settings (Directive to Take Action).

Fiscal Note: TBD
References:

   https://www.justice.gov/atr/page/file/1290686/download


   http://www.rwjf.org/content/dam/farm/reports/issue_briefs/2012/rwjf73261

   http://www.physiciansadvocacyinstitute.org/Portals/0/assets/docs/Revised-6-8-21_PAI-Physician-Employment-Study-2021-FINAL.pdf?ver=K6dyoekRSC_c59U8QD1V-A%3D%3D

Received: 4/12/2023
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; Reaffirmed: I-22

Health System Consolidation D-215.984
Our AMA will: (1) study 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; and (2) regularly review and report back on these issues to keep the House of Delegates apprised on relevant changes that may impact the practice of medicine, with the first report no later than the 2023 Annual Meeting.

Citation: Res. 702, A-22

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