WHEREAS, Hospital consolidation has been a growing source of rising healthcare costs, decreased patient choice, and reduced competition; and

WHEREAS, Physician-owned hospitals have been a critical part of the healthcare system in the United States, demonstrating outcomes on par with—if not better than—traditional hospitals in addition to lower costs, increased access, and higher patient satisfaction compared to traditional hospitals; and

WHEREAS, Our American Medical Association has previously recognized the potential harm of unfettered hospital consolidation to both patients and physicians and supported the repeal of the ban on physician-owned hospitals, thereby paving the way for more competition and choice as well as more physician involvement in hospital governance (Hospital Consolidation H-215.960); and

WHEREAS, Our American Medical Association has a responsibility to investigate issues that impact physicians and their patients; therefore be it

RESOLVED, That our American Medical Association study the patient selection practices of both physician-owned and non-physician-owned hospitals to better understand the impact of hospital ownership status to access to care through:

1. A thorough review of the existing literature;
2. Analyzing patient characteristics across both physician-owned and non-physician-owned hospitals to elucidate whether there are any meaningful differences between these 2 populations. This study should take into account that half of physician-owned hospitals are community hospitals and half are specialty hospitals focused on cardiac, orthopedic, or surgical care;
3. Proposing solutions if there are meaningful differences in these patient populations to ensure equitable access to care (Directive to Take Action); and be it further

RESOLVED, That our American Medical Association report the findings of this study to the House of Delegates by Annual 2024 (Directive to Take Action); and be it further

RESOLVED, That our American Medical Association report the findings of this investigation to its members and stakeholders, including policymakers and legislators, to inform future healthcare policy (Directive to Take Action); and be it further
RESOLVED, That our American Medical Association will work with interested state medical associations to monitor hospital markets, including rural, state, and regional markets, and review the impact of the repeal of the ban on physician-owned hospitals on patients, physicians, and hospital prices (Directive to Take Action).

Fiscal Note: TBD

Received: 4/30/2023

References:

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. 7, 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

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.

Citation: CMS Rep. 4, I-01; Reaffirmed: CMS Rep. 7, A-11; Appended: Res. 3, I-13; reaffirmed:
CMS Rep. 07, A-19