AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution: 217
(I-22)

Introduced by: Mississippi

Subject: Restrictions on the Ownership of Hospitals by Physicians

Referred to: Reference Committee B

Whereas, Physician-owned hospitals (POHs) are known for providing some of the highest quality and lowest cost medical care in the nation; and

Whereas, Medicine has drastically changed over the past two decades with physician stakeholders losing more and more autonomy over patient care; and

Whereas, Many of the rules and regulations prohibiting physician ownership of hospitals were written years ago when physicians were largely in private practice, and self-referral was of limited though potentially more relevant concern; and

Whereas, CMS imposes significant requirements upon POHs that make the status difficult to attain and then generally prohibits expansion capability even if a POH is established; and

Whereas, In the early 2000s there was a concerted lobbying effort by some in the hospital industry who erroneously and some would say intentionally claimed that physicians owning hospitals was a conflict of interest; and

Whereas, In 2003 Congress imposed an 18-month moratorium on new POH construction, and then upon further persistent lobbying by many in the hospital industry, in 2010, based on specialty hospital data and other confounding and external factors, POHs were banned from participating in the Medicare program; and

Whereas, The historic and deadly COVID-19 pandemic exposed bare the dangerous practices of allowing business-minded colleagues to run hospitals and not physicians who selflessly served patients on the frontlines of the pandemic, many times with woefully inadequate personal protective equipment (PPE) as drastic as bandanas and garbage bags, and many lost their lives or suffered serious detriment in nobly doing so; and

Whereas, These “healthcare heroes” hereby decry that physician ownership of hospitals is an innate conflict of interest, and furthermore proclaim that these institutions are in reality known for providing higher quality of medical care at a lower cost as referenced in this resolution above; therefore be it

RESOLVED, That our American Medical Association advocate to alleviate any restriction upon physicians from owning, constructing and/or expanding any hospital facility type - in the name of patient safety, fiscal responsibility, transparency and in acknowledgment of physicians everywhere who have given of themselves valiantly in the name of patient care. (Directive to Take Action)
Fiscal Note: Not yet determined

Received: 10/06/22

References:
https://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/Physician_Owned_Hospitals
Relevant AMA Policy H-215.960 Hospital Consolidation