Resolved, That our American Medical Association open a deep investigation into the current status of such consolidations, with an eye on informing physicians, whether employed or of private practice, of the ramifications of this pattern (Directive to Take Action); and be it further

Resolved, That the ongoing monitoring of this practice keep apace of the impacts on the practice of medicine, at all levels including on a national level (Directive to Take Action); and be it further

Resolved, That consideration be given to proposing regulations and/or other restrictions as deemed appropriate to combat this new intrusion and disempowerment of physicians (Directive to Take Action).

Fiscal Note: TBD

Received: 9/30/2023
RELEVANT AMA POLICY

Corporate Practice of Medicine H-215.981

1. Our AMA vigorously opposes any effort to pass federal legislation preempting state laws prohibiting the corporate practice of medicine.

2. At the request of state medical associations, our AMA will provide guidance, consultation, and model legislation regarding the corporate practice of medicine, to ensure the autonomy of hospital medical staffs, employed physicians in non-hospital settings, and physicians contracting with corporately-owned management service organizations.

3. Our AMA will continue to monitor the evolving corporate practice of medicine with respect to its effect on the patient-physician relationship, financial conflicts of interest, patient-centered care and other relevant issues.


Corporate Practice of Medicine H-160.887

Our AMA acknowledges that the corporate practice of medicine: (1) has the potential to erode the patient-physician relationship; and (2) may create a conflict of interest between profit and best practices in residency and fellowship training.

Citation: CMS Rep. 2, I-22

Corporate Investors H-160.891

1. Our AMA encourages physicians who are contemplating corporate investor partnerships to consider the following guidelines:
   a. Physicians should consider how the practice’s current mission, vision, and long-term goals align with those of the corporate investor.
   b. Due diligence should be conducted that includes, at minimum, review of the corporate investor’s business model, strategic plan, leadership and governance, and culture.
   c. External legal, accounting and/or business counsels should be obtained to advise during the exploration and negotiation of corporate investor transactions.
   d. Retaining negotiators to advocate for best interests of the practice and its employees should be considered.
   e. Physicians should consider whether and how corporate investor partnerships may require physicians to cede varying degrees of control over practice decision-making and day-to-day management.
   f. Physicians should consider the potential impact of corporate investor partnerships on physician and practice employee satisfaction and future physician recruitment.
g. Physicians should have a clear understanding of compensation agreements, mechanisms for conflict resolution, processes for exiting corporate investor partnerships, and application of restrictive covenants.

h. Physicians should consider corporate investor processes for medical staff representation on the board of directors and medical staff leadership selection.

i. Physicians should retain responsibility for clinical governance, patient welfare and outcomes, physician clinical autonomy, and physician due process under corporate investor partnerships.

j. Each individual physician should have the ultimate decision for medical judgment in patient care and medical care processes, including supervision of non-physician practitioners.

k. Physicians should retain primary and final responsibility for structured medical education inclusive of undergraduate medical education including the structure of the program, program curriculum, selection of faculty and trainees, as well as education and disciplinary issues related to these programs.

2. Our AMA supports improved transparency regarding corporate investment in physician practices and subsequent changes in health care prices.

3. Our AMA encourages national medical specialty societies to research and develop tools and resources on the impact of corporate investor partnerships on patients and the physicians in practicing in that specialty.

4. Our AMA supports consideration of options for gathering information on the impact of private equity and corporate investors on the practice of medicine.


Establishing Ethical Principles for Physicians Involved in Private Equity Owned Practices D-140.951

Our AMA will study and clarify the ethical challenges and considerations regarding physician professionalism raised by the advent and expansion of private equity ownership or management of physician practices and report back on the status of any ethical dimensions inherent in these arrangements, including consideration of the need for ethical guidelines as appropriate. Such a study should evaluate the impact of private equity ownership, including but not limited to the effect on the professional responsibilities and ethical priorities for physician practices.

Citation: Res. 026, A-22; Reaffirmed: BOT Rep. 14, A-23

The Impact of Private Equity on Medical Training H-310.901

Our AMA will:

1. Affirm that an institution or medical education training program academic mission should not be compromised by a clinical training site’s fiduciary responsibilities to an external corporate or for-profit entity.
2. Encourage GME training institutions, programs, and relevant stakeholders to:
   a. demonstrate transparency on mergers and closures, especially as it relates
to private equity acquisition of GME programs and institutions, and demonstrate
institutional accountability to their trainees by making this information available to current and
prospective trainees;
   b. uphold comprehensive policies which protect trainees, including those who are not funded by
Medicare dollars, to ensure the obligatory transfer of funds after institution closure;
   c. empower designated institutional officials (DIOs) to be involved in institutional decision-
making to advance such transparency and accountability in protection of their residents, fellows,
and physician faculty;
   d. develop educational materials that can help trainees better understand the business of
medicine, especially at the practice, institution, and corporate levels;
   e. develop policies highlighting the procedures and responsibilities of sponsoring institutions
regarding the unanticipated catastrophic loss of faculty or clinical training sites and make these
policies available to current and prospective GME learners.

3. Encourage necessary changes in Public Service Loan Forgiveness Program (PSLF) to allow
medical students and physicians to enroll in the program even if they receive some or all of their
training at a for-profit or governmental institution.

4. Support publicly funded independent research on the impact that private equity has on
graduate medical education.

5. Encourage physician associations, boards, and societies to draft policy or release their own
issue statements on private equity to heighten awareness among the physician community.

6. Encourage physicians who are contemplating corporate investor partnerships to consider the
ongoing education and welfare for trainee physicians who train under physicians in that practice,
including the financial implications of existing funding that is used to support that training.

Citation: CME Rep. 01, I-22