

AMERICAN MEDICAL ASSOCIATION PRIVATE PRACTICE PHYSICIANS SECTION

Late Resolution: 1  
(I-25)

Introduced by: Michael Brisman, MD

Subject: Oppose Insurer Penalties for Hospitals Based on Physician Network Participation

Referred to: PPPS Late Resolution Committee  
(Carolynn Francavilla, MD, Chair and Keshni Ramnanan, MD, Chair-Elect)

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Whereas, A large insurance company just announced a new policy in 11 states (Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri, Nevada, New Hampshire, Ohio, and Wisconsin) that would allow the insurer to penalize hospitals 10 percent of their contracted rates for elective services performed by out-of-network providers; and

Whereas, this policy would exert great harm to hospitals, and physicians and patients; and

Whereas, many hospitals already operate at very slim margins, and severe cuts by insurers threaten to cause great financial harm to hospitals and potentially drive them out of business; and

Whereas, this policy will pressure hospitals to remove out-of-network providers from its staff, which would reduce the physicians available at that hospital and deprive patients the opportunity to receive care from out-of-network providers, causing more access to care problems; and

Whereas, such a policy will effectively negate the out-of-network benefits that consumers purchase and deprive them of the opportunity to have an out-of-network provider perform their elective procedures; and

Whereas, this policy will likely have devastating results on the medical profession as doctors are prohibited from owning their own hospitals and could be removed from staff at their own hospitals; and

Whereas, many of the private physicians cannot get fair contracts with insurers so they have no choice but to remain out-of-network; and

Whereas, such a policy leverages insurers' regional monopoly powers to compel hospitals to help rig physician rates, and drive private physicians out of business; therefore be it

RESOLVED, that our American Medical Association will oppose and try to reverse all insurance policies that would reward or penalize hospitals based on network participation of their physician and provider staff (Directive to Take Action).

Fiscal Note: (Assigned by HOD)

Received: 10/29/2025

## **RELEVANT AMA POLICY**

### **Out of Network Restrictions of Physicians H-285.907**

Our American Medical Association opposes the denial of payment for a medically necessary prescription of a drug or service covered by the policy based solely on the network participation of the duly licensed physician ordering it.

Citation: Res. 126, A-15; Reaffirmed: CMS Rep. 01, A-25