

SUBJECT TO RESOLUTION COMMITTEE REVIEW

AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution: 233
(N-21)

Introduced by: New York

Subject: Insurers and Vertical Integration

Referred to: Reference Committee B

Whereas, Insurers already enjoy significant marketplace advantages, such as keeping healthcare data opaque from other stakeholders, marketplace consolidation, and monopsony power; and

Whereas, These advantages have not resulted in cost savings (or even stability) for consumers--in fact cost increases born by consumers have been outsized and correlated with consolidation; and

Whereas, Insurers have increasingly been pursuing mergers--in the name of promoting efficiency; and

Whereas, These "efficiencies" rarely, if ever, benefit the consumer; and

Whereas, These combined entities (especially vertical ones) are more competitive among their competitors than the uncombined ones (accelerating further consolidation); and

Whereas, The combined entities are also positioned (due to their superior access to capital) to unfairly disrupt entities at other points in the supply chain such as medical practices, community pharmacies, and safety net hospitals; therefore be it

RESOLVED, That our American Medical Association seek legislation and regulation to prevent health payers (except non-profit HMO's) from owning or operating other entities in the health care supply chain. (Directive to Take Action)

Fiscal Note: Modest - between \$1,000 - \$5,000

Received: 10/13/21

AUTHOR'S STATEMENT OF PRIORITY

As a matter of protecting public health and reducing health payor interference in patient care delivery, it is critical that AMA continue to actively work to prevent large entities from creating these monopolies. While the AMA has taken important steps in recent years to challenge these mergers and acquisitions, existing AMA policy is four years old. The efforts on the part of health payers to absorb practices, pharmacy benefit managers, medical equipment suppliers etc. continues and will create a health care market without any competition. This will not be good for our patients nor for physicians. These entities should be controlled by nothing more than the competitive free market system. Allowing health insurers to control more and more elements of the health care supply chain will result in even greater interference in the physician-patient relationship and decrease access to care for our patients. AMA is strongly urged to take immediate action to update its policy on this subject.

RELEVANT AMA POLICY

Health Insurance Company Purchase by Pharmacy Chains D-160.920

Our AMA will: (1) continue to analyze and identify the ramifications of the proposed CVS/Aetna or other similar merger in health insurance, pharmacy benefit manager (PBM), and retail pharmacy markets and what effects that these ramifications may have on physician practices and on patient care; (2) continue to convene and activate its AMA-state medical association and national medical specialty society coalition to coordinate CVS/Aetna-related advocacy activity; (3) communicate our AMAs concerns via written statements and testimony (if applicable) to the U.S. Department of Justice (DOJ), state attorneys general and departments of insurance; (4) work to secure state level hearings on the merger; and (5) identify and work with national antitrust and other legal and industry experts and allies.

Citation: BOT Action in response to referred for decision Res. 234, I-17