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PAI SUBMITS LETTER TO HOUSE ENERGY & COMMERCE COMMITTEE’S OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE EXPRESSING CONCERN OVER HEALTHCARE CONSOLIDATION

WASHINGTON, DC—The Physicians Advocacy Institute (PAI) submitted a letter to the United States House of Representatives’ Energy & Commerce Committee’s Subcommittee on Oversight and Investigations in conjunction with its hearing to examine the ramifications of rapid, system-wide consolidation in the health care marketplace. This trend includes widespread mergers, acquisitions and other business partnerships between would-be competitors such as insurers, hospitals and health systems. Consolidation also has spurred a frenzy of so-called “vertical” alliances to capture more patients and control more health care dollars.

PAI expressed support for Congressional scrutiny into the potential concerns about a health care system dominated by large, powerful entities with enormous market power. This trend can lead to higher prices for consumers, anticompetitive marketplace behavior, restrictions on physician decision-making on patient care issues, and limitations on patients’ choice in and access to prescription drugs.

PAI’s letter also shares findings from an ongoing research collaboration with Avalere Health that examines the extent and impact of hospital acquisitions of physician practices. This research reveals a sharp growth in hospital acquisitions of physician practices—a remarkable 86% over a three-year period. The research also demonstrates that Medicare and beneficiaries spend billions more a year for services provided in hospital settings than if those services were provided in the physician office setting.

PAI urged review of federal policies that have fueled this trend towards hospital-driven consolidation, as well as relief from outdated policies that restrict physicians from competing on a level-playing field with hospitals and other corporate entities that are moving quickly to dominate various aspects of the health care delivery system.

“The vital role that physicians play in our health care system – providing high quality, cost-effective care to patients - should not be undermined by the push towards corporatization” said Robert W. Seligson, PAI President. “It is important to advance policies that encourage and support greater competition throughout the health care marketplace, including competition by physician-led organizations.”

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The Physicians Advocacy Institute, Inc. (PAI) is a not-for-profit 501(c)(6) advocacy organization established in 2006 whose mission is to advance fair and transparent payment policies in order to sustain the profession of medicine for the benefit of patients.