

Physician-Led Hospitals Coalition Letter

December 1, 2022

We, the undersigned organizations, representing physicians and patients, support the Patient Access to Higher Quality Health Care Act (S. 4130/H.R. 1330), introduced by Senator James Lankford (R-OK) and Congressman Michael C. Burgess, M.D. (R-TX). The legislation would improve patient access to high quality physicians and hospital services, and address hospital consolidation by allowing physician-led hospitals to compete.

Experts – including MedPAC, the Congressional Budget Office and academic researchers – have detailed how hospital consolidation hurts patients and the healthcare system, citing increased prices, higher costs for federal programs and consumers, lower quality and worsened outcomes. S. 4130/H.R. 1330 would repeal section 6001 of the Affordable Care Act, which has restricted expansion and new development of physician-led hospitals for more than a decade. During this time, hospital consolidation has increased significantly, through hospital mergers and buyouts of physician practices.

Physician-led hospitals represent a successful healthcare delivery model that focuses on the physician-patient relationship. Physicians, the ultimate healthcare experts, are responsible for decision-making. Experts from Georgetown University, Johns Hopkins University, the Medical College of Wisconsin and the University of Vermont concluded in 2021 that specialty physician-led hospitals “provide higher quality care at lower cost with greater efficiency” than other hospitals. Notably, the authors of this study argue that “new and expanded physician-led hospitals should be allowed to participate in the Medicare program to lower costs, improve quality, and increase choice for Medicare beneficiaries.”

Since the COVID-19 pandemic, we have seen firsthand the devastating impacts that healthcare consolidation had on hospitals, which became overwhelmed, forcing COVID-19 patients to seek care in converted parking lots, gymnasiums or hospital hallways. Other patients delayed necessary care, including treatment for important surgeries, emergencies and cancer care.

As part of the COVID-19 response, the Department of Health and Human Services (HHS) issued a waiver permitting physician-led hospitals to expand capacity during the public health emergency. Physician-led hospitals stepped up to offer essential services – including surgical and trauma services, surge capacity and staffing support. In south Texas, a physician-led general hospital helped lead the region’s COVID-19 efforts, which included rapidly converting their rehabilitation hospital into a dedicated COVID-19 hospital, with more than 100 beds in ten days.

Lastly, physician-led hospitals inject much-needed competition into the hospital marketplace, creating incentives for innovation and quality improvement. The arbitrary 2010 ban on new physician-led hospitals and the expansion cap on grandfathered hospitals penalizes patients who deserve the right to receive care at the hospital of their choice and puts an unnecessary strain on our entire healthcare system.

Physician-led hospitals allow physicians, who know patient care best, to be involved in the day-to-day decision-making of the hospitals. We urge Congress to pass S. 4130/H.R. 1330 to put patients and local communities first.

Sincerely,

American Academy of Otolaryngology–Head and Neck Surgery
American Association of Hip and Knee Surgeons
American Association of Orthopaedic Surgeons
American Association of Orthopaedic Executives

American Association of Neurological Surgeons
American Medical Association
American Shoulder and Elbow Surgeons
American Society for Surgery of the Hand
Arizona Orthopaedic Society
California Medical Association
California Orthopaedic Association
Connecticut Medical Association
Congress of Neurological Surgeons
Delaware Society of Orthopaedic Surgeons
Florida Orthopaedic Society
Georgia Orthopaedic Society
Illinois Association of Orthopedic Surgeons
Iowa Orthopaedic Society
Louisiana Orthopaedic Association
Massachusetts Orthopaedic Association
Medical Association of Georgia
Michigan Orthopaedic Society
Minnesota Orthopaedic Society
Montana Orthopedic Society
Nebraska Orthopedic Society
North American Spine Society
New York State Society of Orthopaedic Surgeons
North Carolina Medical Association
North Dakota Orthopaedic Society
Ohio Orthopaedic Society
Orthoforum
Orthopaedic Society of Oklahoma
Physician Advocacy Institute
Physician-Led Healthcare for America
South Carolina Medical Association
South Carolina Orthopaedic Association
South Dakota State Orthopaedic Society
Texas Medical Association
Tennessee Orthopaedic Society
Texas Orthopaedic Association
Texas Chapter of American College of Cardiology
Virginia Orthopaedic Society
Washington State Orthopaedic Association
Wisconsin Orthopaedic Society
Wyoming Orthopaedic Society