



## PHYSICIAN-LED HOSPITALS DRIVE PATIENT-CENTERED HEALTHCARE

- Physician-Led Healthcare for America (PHA) represents physician-led and owned hospitals dedicated to a healthcare system that focuses on high quality patient care in which physicians are involved in every aspect of patient care.
- PHA member hospitals offer patients high quality and efficient care. PHA hospitals meet their community needs by providing an additional choice to patients, and patients respond with their desire for a facility that focuses on the patient-physician relationship.

QUALITY

ACCESS

AFFORDABILITY

COMPETITION

WORKFORCE



## PHYSICIAN-LED HOSPITALS ARE LEADERS IN QUALITY, VALUE-BASED CARE AND MEDICARE SAVINGS

- A 2021 study<sup>1</sup> published by the Mercatus Center at George Mason University concluded that physician-led hospitals offer high quality and lower or equivalent cost services versus other comparable hospitals.
- A study published in the peer-reviewed BMJ medical journal by independent researchers and funded using internal resources from the Harvard School of Public Health showed that patients in physician-led hospitals are equally likely to use Medicaid, and had similar numbers of chronic diseases and predicted mortality as patients in other facilities.
- Physician-led hospitals are strong proponents of value-based care and payment models, delivering proven benefits to Medicare and its beneficiaries. A September 2022 study by ndp | Analytics found that physician-led hospitals produced \$217 million in savings to the Medicare program.



## PHYSICIAN-LED HOSPITALS OFFER A COMPETITIVE ALTERNATIVE

- Vertical and horizontal hospital mergers, including a dramatic increase in the number of hospital acquisitions of physician practices, have greatly reduced healthcare competition in the U.S.
- Experts such as the Congressional Budget Office and MedPAC have concluded that consolidation leads to higher prices and access challenges for patients, while failing to deliver the highest quality of care.
- A Stanford University study found that hospital-physician practice consolidation has led to mandated self-referral within the system and an increased use of healthcare services by clinicians within the systems that acquire their practices.



## THE SOLUTION: IMMEDIATE EXPANSION OF PHYSICIAN-LED HOSPITALS

- The ability of PHA member hospitals to improve quality and increase health care savings is limited by Section 6001 of the Affordable Care Act (ACA), which restricts expansion and new development of physician-led hospitals. Section 6001 is nothing more than an arbitrary and anti-competitive provision aimed at handcuffing physician-led hospitals.
- **ACCESS:** The ACA limitation has not only deprived patients of care in physician-led facilities. In many markets, physicians do not have access to physician-led hospitals, which focus on the physician-patient relationship.
- **FOSTERS COMPETITION:** Since the ACA's passage in 2010, the hospital industry has experienced a dramatic level of consolidation in most of the nation's healthcare markets.
- **AFFORDABILITY:** Consolidation, which leads to limited competition, is one of the factors that has created exponential insurance premium increases.
- **ENHANCED QUALITY:** Physician-led hospitals, which feature physicians as the hospital leaders, provide outstanding quality. The most recent CMS HCAHPS data show physician-led hospitals had an average patient experience rating of 3.9 (compared to 3.2 for all hospitals).
- **IMPROVED WORKFORCE:** Expansion would take pressure off an overworked hospital workforce, easing burdens on frontline professionals.

*Physician-led hospitals represent a tool that is available to answer consolidation concerns and to give patients access to more high-quality facilities in their communities. Support H.R. 977 and S. 470 to permit the immediate expansion of physician-led hospitals.*