

MEDCHI, THE MARYLAND STATE MEDICAL SOCIETY
HOUSE OF DELEGATES

Resolution:

INTRODUCED BY: Montgomery County Medical Society

SUBJECT: Nonprofit Hospital or Nonprofit Payor Acquisition of Medical Practices

1 Whereas, the independent practice of medicine is challenged by the ever increasing regulations
2 and/or legislation, decreasing third-party payments and rising costs; and
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4 Whereas, there is increasing acquisition of medical practices by entities which seek to control the
5 medical delivery market including nonprofit hospitals and hospital systems and/or nonprofit third-
6 party payors which create for-profit subsidiaries; and
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8 Whereas, these entities' interests is often greed to enhance profits by decreasing expenses and
9 reducing quality of care and access to patient care and decreasing affordability of care; and/or by
10 limiting participation in their panels by only those physician groups which they acquire therefore
11 presenting a restraint of trade concern, and
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13 Whereas, nonprofit hospitals in Maryland are often a part of a larger health system which has
14 hospital locations in contiguous states which allow them to transfer high cost patients to their other
15 locations which are not under the waiver in order to not be under the budget constraints of the Total
16 Cost of Care; and
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18 Whereas, nonprofit payors are forming for profit companies to acquire medical practices, ancillary
19 services, and back office operations presumably to steer their insureds to only use those services;
20 and
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22 Whereas, by January 1, 2025 the Maryland Health Care Commission is studying (1) the effect of
23 private equity firms on the health care market in the State, including: (i) the impact on the State's
24 ability to meet the goals and objectives of the Total Cost of Care Model; and (ii) the impact on
25 efforts to address health disparities and social determinants of health; (2) the payer mix for physician
26 practices and groups with private equity ownership; (3) the impact of hospital consolidations on
27 physician practices; (4) the acquisition of physician practices; and (5) the impact on the ability of
28 nonprofit hospitals and health systems to maintain access to care, including the ability to hire and
29 retain physicians, and therefore be it
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31 RESOLVED, that MedChi seek to provide direct member feedback and input to the Maryland
32 Health Care Commission as they study (1) the effect of private equity firms on the health care market
33 in the State, including: (i) the impact on the State's ability to meet the goals and objectives of the
34 Total Cost of Care Model; and (ii) the impact on efforts to address health disparities and social
35 determinants of health; (2) the payer mix for physician practices and groups with private equity
36 ownership; (3) the impact of hospital consolidations on physician practices; (4) the acquisition of
37 physician practices; and (5) the impact on the ability of nonprofit hospitals and health systems to
38 maintain access to care, including the ability to hire and retain physicians.