

May 16, 2017

Dear Member of Congress:

We, the undersigned organizations, wish to express our support for the “Patient Access to Higher Quality Health Care Act of 2017.” This common-sense legislation would repeal the controversial moratorium on expansion and new construction of physician-owned hospitals (POH).

The Affordable Care Act (ACA) included a provision that strictly prohibits any new POH from participating in Medicare or Medicaid. Furthermore, the ACA also prohibits existing POHs from expanding unless they meet a very complicated set of criteria as part of a long application process. These hospitals provide some of the highest quality care in the country and help meet a growing demand for health care services, especially in rural areas.

Consumer Reports Magazine reported that hospitals run by physicians have been shown to run more efficiently and have higher quality patient outcomes than those run by non-physicians or appointed boards. And these hospitals are not just providing high-quality care and contributing to local economies – they are saving the government money. An analysis by Avalon Health Economics found POHs are saving Medicare \$3.2 billion over ten years.

Concerns that POHs could have an incentive to serve only the most profitable patients have been proven baseless. A comprehensive, peer-reviewed study published by the British Medical Journal recently found that overall, “physician-owned hospitals have virtually identical proportions of Medicaid patients and racial minorities and perform very similar to other hospitals in terms of quality of care.”

This arbitrary ban on new and expanded POHs is bad for our entire health care system and penalizes patients who deserve the right to receive care at the hospital of their choice. POHs inject much-needed competition into the hospital marketplace, incentivizing traditional hospitals to improve and innovate. And POHs allow doctors, who know patient care best, to be more involved in some of the day-to-day decision-making of the hospitals.

We urge Congress to put patients first and pass the “Patient Access to Higher Quality Health Care Act of 2017.”

Sincerely,

American Association of Orthopaedic Surgeons

American Medical Association

American Osteopathic Association

Physician Hospitals of America

American Association of Neurological Surgeons/ Congress of Neurological Surgeons

American Academy of Otolaryngology—Head and Neck Surgery

American College of Surgeons

American Academy of Ophthalmology

American College of Cardiology

**American Alliance of Orthopaedic Executives
American Association for Hand Surgery
American Association of Hip and Knee Surgeons
American Orthopaedic Foot & Ankle Society
American Orthopaedic Society for Sports Medicine
American Shoulder and Elbow Surgeons
American Society for Surgery of the Hand
Arthroscopy Association of North America
Musculoskeletal Tumor Society
Scoliosis Research Society
National Association of Spine Specialists
Orthoforum
Rothman Institute
Premier Orthopedics
OrthoIndy
Peachtree Orthopedics
Ortho Georgia
Signature Medical Group**

**Texas Orthopaedic Association
Utah State Orthopedic Society
Indiana Orthopaedic Society
South Dakota State Orthopaedic Society
Kansas Orthopaedic Society
Washington State Orthopaedic Association
Iowa Orthopaedic Society
Maryland Orthopaedic Association
Massachusetts Orthopaedic Society
Connecticut Orthopaedic Society
Minnesota Orthopaedic Society
Ohio Orthopaedic Society
Orthopedic Society of Oklahoma
Delaware Society of Orthopaedic Surgeons
Colorado Orthopaedic Society
Pennsylvania Orthopaedic Society
Medical Society of Virginia
New Jersey Orthopaedic Society
Maryland State Medical Society
New Mexico Medical Society
Idaho Medical Association
Medical Association of Georgia
Texas Medical Association
Nebraska Medical Association
Missouri State Medical Association**

Tennessee Medical Association
Wyoming Medical Association
Illinois State Medical Society