North Carolina Medical Society
Established 1849
Leadership in Medicine

Wednesday, April 26, 2023

North Carolina Medical Society Urges Congress to Support Increased Competition, Transparency in Health Care

North Carolina Medical Society issued the following statement in support of the House Energy and Commerce Committee's Health Subcommittee hearing on transparency and competition.

"The North Carolina Medical Society joins the growing federation of physician organizations advocating for H.R. 977, the Patient Access to Higher Quality Health Care Act of 2023**,** a reasonable and responsible measure to improve our nation's health care system. The NCMS commends the U.S. House of Representatives Energy & Commerce Committee's Subcommittee on Health for its hearing on the bill today and its support of legislative initiatives to achieve increased competition, transparency and choice.

"H.R. 977 would repeal the controversial moratorium on expansion and construction of physician-owned hospitals (POHs), which have been strictly prohibited as a result of the Affordable Care Act (ACA). This restrictive policy has contributed to a decade-long trend of widespread consolidation throughout the health care system. Consolidation has resulted in higher overall cost of care and this legislation offers an excellent opportunity to help curtail that trend. Allowing physician ownership would drive innovation and improve outcomes, while also lowering costs through competition.[1]

"The NC Medical Society supports patient-centered, team-based healthcare, and patients should have the choice of who directs their care and where they receive it, based on quality and cost of services. H.R. 977 will put federal policy back on track by allowing physician ownership of hospitals and greater ability to appropriately guide patients' care. Lifting this moratorium will encourage physician investment in their communities and offer our state's patients greater choice of physician-directed care.

"Data from the Centers for Medicare & Medicaid Services (CMS) also shows that, since the enactment of the ACA, POHs outperform non-physician-owned hospitals in terms of quality, patient satisfaction and cost.[2]

"Achieving greater competition and transparency in the healthcare system also necessitates site neutral payment policies to ensure that North Carolinians receive care in the most efficient, cost-effective setting, which is often the physician's office. Medicare's payment

[1] *https://ssrn.com/abstract=4350105*

[2] *https://data.medicare.gov/Hospital-Compare/Hospital-General-Information/xubh-q36u*

disparity favoring services delivered in a hospital-owned setting, coupled with inadequate Medicare physician payment updates to adjust for inflation, have made it difficult for many physicians to sustain their practices.

“The ban on new and expanded Physician-Owned Hospitals has negatively impacted the health care system and has penalized patients who deserve the right to receive care at the facility of their choice. POHs can inject much-needed competition into the healthcare marketplace, incentivizing improvement and innovation into the system. Further, POHs allow physicians, who know patient care best, to be more involved in the day-to-day decision-making in the facility setting as well as the out-patient setting.

The North Carolina Medical Society supports legislation that promotes physician-led health care, lowering patients’ costs, and higher quality.”

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The North Carolina Medical Society is the oldest professional member organization in North Carolina, representing physicians and physician assistants who practice in the state. Founded in 1849, the Society seeks to provide leadership in medicine by uniting, serving and representing physicians and their health care teams to enhance the health of North Carolinians.”