October 26, 2017

The Honorable Michael Burgess
2336 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Burgess:

On behalf of the more than 50,000 physician and medical student members of the Texas Medical Association, the nation’s largest state medical society, I am writing to urge you to support the repeal of the Affordable Care Act’s (ACA’s) unfair and anticompetitive moratorium on physician-owned hospital (POH) growth.

POHs are among the highest performing, most cost-effective, most patient-preferred facilities in the nation. By arbitrarily restricting POHs’ growth, this ACA provision has limited access to high-quality hospital providers and unnecessarily increased costs for the Medicare program and for patients. It has stifled competition and inhibited innovation. The Texas Medical Association therefore urges you to support the Patient Access to Higher Quality Health Care Act of 2017 (H.R. 1156 by Rep. Sam Johnson of Texas, and S. 1133 by Sen. James Lankford of Oklahoma) to repeal this harmful provision.

With doctors at their helm, POHs consistently outperform non-POHs in both clinical and patient satisfaction scores.

- An Avalon Health Economics study found that POHs have lower net payments than other hospitals, such that POH utilization will save the Medicare program $3.1 billion over a 10-year period.
- POHs outscored non-POHs in recent Medicare quality program results, including the Hospital Star Ratings Program and the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS).
- And the Hospital Value-Based Purchasing Program, created to reward hospitals for delivering high-quality care, adhering to clinical best practices, and improving patient experiences, recently released its 2017 results: seven POHs were among the top 10 nationally, and eight of the top 10 hospitals in Texas were physician owned.

All of these data affirm the substantial value POHs offer to the Medicare program and highlight the need to repeal immediately the illogical restriction currently facing POHs.

Expanding beneficiary access to POHs also would help improve health outcomes within the vulnerable Medicare population, as Medicare beneficiaries especially benefit from the truly patient-centered care POHs deliver. POHs significantly outperform their competitors with respect to Medicare hospital readmissions, demonstrating that POHs provide beneficiaries with high-quality inpatient care that helps these patients avoid unnecessary and costly hospitalizations in the future.
Lastly, repealing the POH moratorium would be a much-needed step in addressing concentration in the hospital marketplace. A lack of competition can drive up prices and hospital margins. Promoting competition — such as by repealing the POH growth restriction — is a critical step in addressing rising hospital costs and providing our patients with improved choice and access.

Please support the Patient Access to Higher Quality Health Care Act of 2017. Passing this legislation would help advance Congress’ goal of reducing burdens on physicians and providers, improving patient choice, and promoting higher quality, lower cost care. We stand ready to work with you to help deliver relief to POHs, their patients, and the Medicare program.

Respectfully,

Carlos J. Cardenas, MD
President