AMERICAN ACADEMY OF FAMILY PHYSICIANS

STRONG MEDICINE FOR AMERICA

March 18, 2014

Edith Ramirez, JD
Chairwoman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairwoman Ramirez:

On behalf of the American Academy of Family Physicians (AAFP), which represents 110,600 family physicians and medical students across the country, I write in advance of the public workshop the Federal Trade Commission (FTC) will host this week entitled "Examining Health Care Competition." This public forum will feature national experts who will discuss innovations in health care delivery and the impact of current regulations on competition in health care delivery. The AAFP will respond in greater detail to the FTC's request for comments published in the February 24 Federal Register. In the interim, we wanted to share a few thoughts and opinions that may assist you in your deliberations during the public workshop.

Public Safety vs. Competition

The AAFP appreciates and applauds the FTC's interest in how current laws and regulations impact competition in the health care marketplace. However, we are cautious about the FTC assertion that competition and public safety are of equal importance. Many, if not all, of the applicable professional regulations at the state and federal level are designed to assure the competency of those individuals providing health care services to patients and to protect the safety of individuals seeking health care services. While competition is important and serves as a tool to increase the availability and affordability of services, we do not think access to health care services that may be unsafe or potentially harmful should be expanded to achieve greater competition.

Both the federal and state governments have an obligation, through their fiduciary responsibilities as oversight bodies, to ensure that individuals providing health care services have met an acceptable level of academic achievement, completed the necessary training, and are constantly evaluated for both competency and performance. Each of these steps should be measured against national standards that have been determined to ensure that the competency of the individuals seeking to provide care are suitable for the services they are seeking to provide. Once this public safety threshold is achieved, then it is appropriate to examine how competition among qualified individuals may be achieved. Consequently,

1133 Connecticut Ave., N.W., Ste. 1100 • Washington, DC 20036-4305 • 888.794.7481 • 202.232.9033 • Fax: 202.232.9044 • capitol@aafp.org

regulations that require the successful completion of a rigorous academic program, prescribed years of post-graduate training, national certification, and continuous certification of both academic and performance competencies are not anti-competitive. Instead, they are pro- public safety and necessary to ensure that individuals seeking health care services can have confidence that the individual providing such care is competent.

While all health care professionals – physicians and non-physicians – play an important role in providing quality health care to consumers, they are not the same and their skills are vastly different based on their levels of education and training. We should not disguise or diminish these differences in the name of competition. Instead, we should acknowledge them and work to establish team-based models that allow each to provide care that is safe and appropriate based on the professional's education and training.

Hospital & Health System Mergers

The AAFP is deeply troubled by the explosion of mergers between hospitals and health systems. These mergers, in our opinion, are driving up costs, decreasing competition, and creating an escalating arms race in medical technology and high-end medical services. There is no evidence that these mergers are having a positive impact on those marketplaces where they occur. In fact, it appears that these mergers are decreasing access, and destabilizing the health care delivery system by economically inducing physicians into employed relationships due to unfair market power by hospitals and health systems. We would recommend the FTC devote significant resources to these issues and we strongly believe that this is an area where greater competition would benefit patients, physicians, and other health care providers. Allowing hospitals and health systems to expand their stranglehold on the marketplace is harmful for patients, physicians, employers, and the federal and state health care programs.

Health Insurer Consolidation

The AAFP is equally concerned about the shrinking number of commercial insurers and the expanded role of the large insurance plans into government health care programs. While we do see many benefits of commercial insurers' entering into the management aspects of Medicare and Medicaid, it does present challenges that may limit access and allow such insurers to control certain markets. More concerning is the consolidation and expansion of the plans offered which allows insurers to narrow their networks by only contracting with those physicians who are willing to accept the lowest levels of payments for their services. We have witnessed this trend for several years, but are more concerned today as health insurers expand into the Health Insurance Marketplaces and rollout Medicaid managed care products. In many markets, a single insurance company may be the dominant market force for the employer, individual, Health Insurance Marketplace, Medicare Advantage, and Medicaid populations. This situation allows insurers to control, if not manipulate, the physician workforce in those marketplaces. This is anticompetitive in our opinion and we encourage the FTC to use its resources to both examine and prevent such actions by the insurers.

Again, we thank you for the opportunity to share these opinions with you in advance of your public workshop on March 20. We hope that they will contribute to your discussions and deliberations. The AAFP looks forward to participating in the workshop and providing more robust comments in the coming weeks. We make ourselves available for any questions you

might have. Please contact Robert Bennett, Federal Regulatory Manager, at 202-232-9033 or rbennett@aafp.org.

Sincerely,

Jeffrey J. Cain, MD, FAAFP
Board Chair

CC:
Andrew Gavil
Patricia Schultheiss
Karen Goldman