

## RESOLUTION

Subject: Physician Owned Hospitals

Submitted by: Greater Louisville Medical Society

Referred to: Reference Committee

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WHEREAS, since 2010, 95 rural hospital have closed across the nation, including 4 hospitals in the commonwealth of Kentucky (North Carolina Rural Health Research Program). Many more hospitals are struggling to keep their doors open and are likely to close in the next few years; and

WHEREAS, a recent large study demonstrated that POHs may treat slightly healthier patients, but do not systematically avoid Medicaid patients or those from ethnic and racial minority groups. Moreover, overall costs of care, payments for care and quality of care are similar between physician owned hospitals (POHs) and non-POHs. (Harvard Study); and

WHEREAS, hospitals that have any physician ownership, are known for top-notch healthcare with an incentive for physicians to maintain high quality of care with Physician-owned hospitals crediting their high patient satisfaction rates due to freedom from administrative layers; and

WHEREAS, Physician Hospitals of America (PHA) announced in 2012, that 16 of the 37 winners of the prestigious Inpatient Patient Satisfaction Summit Award were POHs; and

WHEREAS, lifting restrictions on physician-owned hospitals could be key to widening access to care; and

WHEREAS, the AMA and Coalition of State Medical Societies strongly support removing the ban on the construction or expansion of POHs; now, therefore, be it

RESOLVED, that the Kentucky Medical Association study available data and educate physicians about the benefits and consequences of legislation which would allow a pathway to physician owned hospitals.

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## References

<sup>1</sup> <https://www.modernhealthcare.com/article/20170627/NEWS/170629899/lifting-restrictions-on-physician-owned-hospitals-could-be-key-to-widening-access-to-care>

<sup>2</sup> <https://www.ama-assn.org/advocacy/physician/house-bill-would-repeal-limits-physician-owned-hospitals>

<sup>3</sup> <https://www.modernhealthcare.com/article/20180214/NEWS/180219961/azar-eyes-relaxing-restrictions-on-physician-owned-hospitals>