

## RESOLUTION

Subject: Promote Independent Medical Practices

Submitted by: Lexington Medical Society

Referred to: Reference Committee

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WHEREAS, independent medical practices provide personalized and community-focused care which is highly valued by patients and communities; and

WHEREAS, the number of independent medical practices has been declining significantly, with a nationwide drop from 60.1% in 2012 to 46.7% in 2022 with evidence to suggest that fewer young physicians are choosing private practice in favor of larger institutional employment<sup>1</sup>; and

WHEREAS, the consolidation of medical practices into larger health systems has been shown to increase healthcare costs significantly, with procedures costing up to three times more in hospital settings compared to outpatient or physician office settings<sup>2,3</sup>; and

WHEREAS, independent practices face increasing financial, regulatory, and administrative burdens that threaten their sustainability especially as markets further consolidate into larger institutions and private equity with defined referral sources; and

WHEREAS, maintaining a robust presence of independent practices is critical for ensuring healthcare access, affordability, and quality in Kentucky; now, therefore, be it

RESOLVED, that KMA affirms the indispensable value of independent medical practices to Kentucky since they offer advantages like personalized care, lower costs, and opportunities for greater efficiency; and be it further

RESOLVED, that KMA will facilitate a forum for private practice physicians to meet virtually and discuss obstacles, opportunities, and collaborative endeavors to enhance growth and viability of private practices in Kentucky; and be it further

RESOLVED, that KMA will work with the Kentucky Hospital Association to bolster referrals to independent practices by creating mechanisms for independent practices to be a referral resource within institutional electronic health records systems, ensuring that patients have access to a broad spectrum of care options.

## References

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1. <https://www.ama-assn.org/practice-management/private-practices/shifts-away-smaller-and-private-practices-pick-speed>
2. <https://www.fiercehealthcare.com/finance/stark-price-differences-between-hospitals-and-outpatient-settings>
3. <https://www.nihcr.org/analysis/improving-care-delivery/prevention-improving-health/hospital-outpatient-prices/>