

RESOLUTION

Subject: Awareness of the Potential Detriments of Private Equity Funds in Health Care

Submitted by: Lexington Medical Society

Referred to: Reference Committee

WHEREAS, private equity funds (PEFs) are typically non-physician partnerships with a physician in a leadership role that acquire companies by leveraging assets of the purchase rather than investing PEF money, and restructure said companies with a goal of financial gain in a short timeframe (3-7 years)¹; and

WHEREAS, PEFs acquire a variety of health care facilities including urgent treatment, nursing homes, and hospitals¹; and

WHEREAS, PEFs have increased expansion in a variety of physician specialties including but not limited to emergency medicine (25-40% of all practices), anesthesia (18.8%), dermatology (10%), and oncology (10%)¹; and

WHEREAS, PEFs increase profit by decreasing staff (nurses and others), cutting physician salaries, and replacing physicians with non-physicians²; and

WHEREAS, PEFs are associated with increased hospital-acquired adverse events such as falls and central line infections³; and

WHEREAS, PEFs are associated with increased hospitalization rates and higher mortality in nursing homes⁴; and

WHEREAS, PEFs have been shown to increase cost to patients/payers⁵; now, therefore, be it

RESOLVED, that KMA supports awareness of the potential detriments of private equity funds (PEFs) in health care; and be it further

RESOLVED, that KMA advocates for facility and practice transparency regarding ownership and physician contracts; and be it further

RESOLVED, that KMA promotes physician autonomy; and be it further

RESOLVED, that KMA fosters awareness of corporate strategies to circumvent Kentucky's Corporate Practice of Medicine Law (KRS 274.015).

References:

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2. Bernard, R. Physicians taking back medicine: The rising toll of private equity in health care. *Medical Economics Journal*. Jan-Feb.2026;103(1):27.
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4. Orewa GN, Karabukayeva A, Pradhan R, Jimoh I, Weech-Maldonado R. The effects of private equity ownership in U.S. nursing homes quality and financial performance: A systematic review. *Health Policy*. 2025 Nov;161:105388. doi: 10.1016/j.healthpol.2025.105388. Epub 2025 Jul 18. PMID: 40729865.
5. Borsa A, Bejarano G, Ellen M, Bruch JD. Evaluating trends in private equity ownership and impacts on health outcomes, costs, and quality: systematic review. *BMJ*. 2023 Jul 19;382:e075244. doi: 10.1136/bmj-2023-075244. PMID: 37468157; PMCID: PMC10354830.