

(WASHINGTON, D.C.) - The Small Business Subcommittee on Investigations, Oversight and Regulations, under the chairmanship of Rep. Mike Coffman (R-CO), held a hearing on the reasons for a changing health care industry that is seeing more doctors leave small practices to join larger medical practices or hospitals.

“It has become expensive and burdensome to run a small medical practice and many doctors are opting for larger health arrangements,” said Chairman Coffman. “As Washington considers implementation of the health care law and ways to improve our system, we must be cautious about increasing statutory and regulatory requirements, which can escalate the costs of a private practice. The results can be a decrease in small practices, less access to affordable care, especially in rural regions, and the degradation of the patient-doctor relationship. This hearing provided a great opportunity to hear firsthand from doctors who have been impacted by this trend.”

Materials for the hearing are posted on the House Small Business Committee’s website [HERE](#) :

For the video click [HERE](#) .

Notable witness quotes:

[Louis F. McIntyre, M.D., Westchester Orthopedic Associates, White Plains Hospital Physicians in White Plains, NY](#) , said, *“In 2009 and 2010, two laws passed by Congress further complicated the landscape for private practice. The American Recovery and Reinvestment Act (ARRA) mandated the adoption of EMR for all physicians serving Medicare patients. Even though we had implemented an EMR, the Meaningful Use Criteria accompanying the regulations still represented a significant burden for us in terms of data collection and quality reporting rules. Complying with the new rules would further increase our cost with no increase in reimbursement and the \$44,000 per physician available from HITECH to offset the cost of purchasing an EMR would not even cover half our investment in the technology. The Patient Protection and Affordable Care Act (PPACA), enacted in 2010, represents another burden for private practices in terms of decreased reimbursement, mandated quality reporting, and the movement toward risk sharing reimbursement methodologies.*

“There is, and will continue to be, and increased need for physicians with the implementation of PPACA starting in 2014. If private practice disappears, patient access to care, local employment and tax revenue will all suffer. We need to strengthen private practice as well as the other models of healthcare delivery to ensure patient access to quality care.”

[Mark Smith, President of Merritt Hawkins in Irving, TX](#) , said, *“Today, physicians are more likely to be hospital or medical group employees than they are to be medical practice owners. This is particularly true of medical residents completing their training. In a 2011 survey of final-year medical residents conducted by Merritt Hawkins, only 1 percent of respondents indicated they would prefer an independent solo practice.¹ By contrast, 60 percent indicated they would prefer to be employed by a hospital, medical group, outpatient clinic or academic facility.*

“There are five primary reasons why this transformation is taking place that I will address in order. They include: Flat or declining reimbursement, growing regulatory and administrative paperwork, malpractice insurance costs, the implementation of information technology, and the effects of health reform.”

[Joseph M. Yasso, Jr, D.O., Heritage Physicians Group in Independence, MO](#) , said, *“While physicians in all practice settings face unnecessary and costly administrative hassles, the burden on small practices is particularly disproportionate, detracting from the time available for patient care. A physicians’ role in coordinating care and making needed referrals typically involves frequent interaction with managed care organizations and other third-party payers to obtain required approvals, services, and payment, resulting in paperwork and overhead expenses. For example, the new restriction that requires consumers who use their tax advantaged accounts to purchase over-the counter (OTC) medications to obtain a prescription from their physician is counterintuitive to enhancing access to health care and promoting patient-centered care. This provision of the Affordable Care Act increases costs to the health care system and places a new administrative burden on already over-burdened physicians. The AOA was pleased to testify on this topic before the House Ways and Means Committee earlier this year.”*

###

Published July 20, 2012