



Coalition for Patient-Centered Care

May 13, 2024

The Honorable Edward Markey
U.S. Senate
255 Dirksen Senate Office Building
Washington, DC 20510

RE: Health Over Wealth Act

Dear Senator Markey:

The Coalition of Patient-Centered Care (CPCC) appreciates Senator Markey's efforts with the Wealth Over Health Act to require greater transparency regarding private equity firms' ownership of healthcare entities; put safeguards in place to protect workers and preserve access to healthcare; and elevate the voices of workers and communities in regulating healthcare and monitoring hospital closures and service reductions. We strongly believe that any discussion about patient care and the wellbeing of workers in the healthcare sector must consider the harmful impact of private equity firms' acquisitions of physicians and other healthcare providers.

CPCC represents a diverse group of healthcare industry stakeholders who stand together in opposition to private equity's acquisition and influence over independent physicians that can result in an emphasis on profits and revenue growth over patient interests.

CPCC is comprised of over 7,000 physicians from across the country who are on the front lines of providing patient-centered care. Our membership has first-hand experience with the negative impact of acquisitions of healthcare providers by private equity firms. Overall, our members have observed that often, after a private equity firm takes over an independent physician group, the quality of care for patients goes down, the cost of care to public and private payors goes up, and employee working conditions worsen. The bottom line is that private equity interferes with the social contract between doctors and their patients.

I. CPCC Views in Support of the Health Over Wealth Discussion Bill

CPCC shares many of the bill's objectives with respect to protecting patients and providers from corporate greed including the following:

A. Increased Transparency:

CPCC supports rigorous reporting requirements for private equity-owned healthcare entities, which will enhance transparency in financial operations and ownership structures; and, ultimately, help safeguard patient care.

B. Risk Mitigation and Accountability:

CPCC agrees that establishing risk mitigation mechanisms such as mandatory escrow accounts for operational costs and capital expenditures will help ensure continuity and stability of healthcare services, which are fundamental for patient safety and employees' wellbeing. As currently drafted, the proposed reporting and risk mitigation requirements for these groups, many of which are small practices with limited administrative resources, are onerous and will unnecessarily add to their already mounting operational costs.

C. Task Force on Private Equity in Healthcare:

CPCC supports the creation of a task force to continuously review the role of private equity in healthcare. Furthermore, we believe that a private equity-focused task force will aid in identifying and addressing emergent issues related to private equity ownership of healthcare providers.

D. Research on the Impact of Private Equity in Healthcare:

CPCC agrees that conducting research to better understand the broader impacts of private equity firms' investments in healthcare is essential for crafting informed policies that effectively regulate these investments. We believe that the effective regulation of such private equity investments in health care must prioritize the wellbeing of patients, healthcare workers, and our communities.

II. CPCC Concerns with the Health Over Wealth Discussion Bill as to Overbreadth and Burden on Truly Independent Physician Groups

As stated above, CPCC members have first-hand experience with the harmful effects of private equity firms' investment in healthcare. As such, we applaud Senator Markey's attention to this important issue and his attempt to address those issues through the discussion draft of the Health Over Wealth Act. However, in doing so, we want to ensure that the bill does not negatively impact the entities that are currently doing things what we view as the right way. Many of our members have thoughtfully and intentionally committed to maintaining their business as truly independent physician groups in both form and practice. This means that the governance and management are controlled by physicians who also provide the clinical care to patients. We believe that the scope of the current bill is too broad to the extent it includes independent physician groups under the definition of a "covered firm" simply because they are for-profit. As currently drafted, the reporting requirements for these groups, many of which are small practices with limited administrative resources, are onerous and will unnecessarily add to their already mounting operational costs. As an alternative, we recommend that the reporting by for-profit entities, as required in the bill, exclude majority physician-owned practices and focus

on those for-profit physician groups, and other healthcare entities, which are controlled by non-physicians.

III. Conclusion:

CPCC commends Senator Markey for proposing this draft of the Wealth Over Health Act and for engaging in this important discussion with affected stakeholders. With the appropriate modifications, we believe this bill can be an important step forward toward addressing the well-documented concerns and problems associated with private equity firms' ownership of healthcare providers. Thank you for prioritizing these critical policy issues related to the cost and quality of patient care. We are eager to continue this conversation and assist in refining this bill to effectively target problematic conduct while not placing undue burden on independent physician groups.

Sincerely,

The Coalition for Patient-Centered Care
(Patientcenteredcare.com)

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