

A coalition of doctors forms to fight private equity in health care

The alliance hopes to influence policymakers at the federal and state levels.

BY: **ERIN SCHUMAKER** | 03/05/2024 06:00 AM EST | UPDATED 03/05/2024 09:59 AM EST

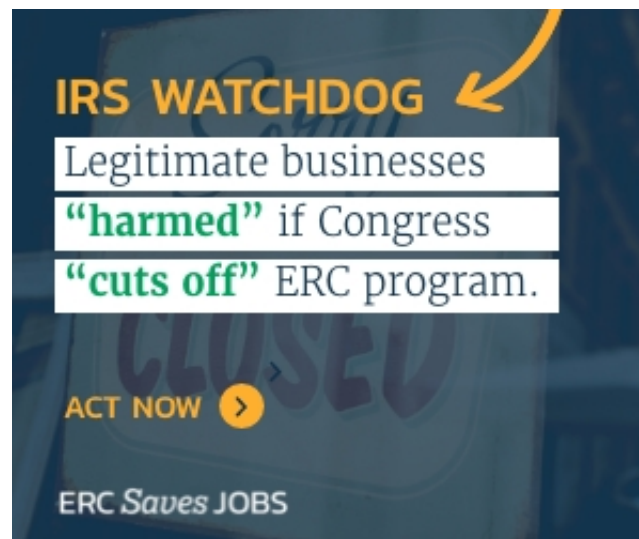


A new coalition of doctors opposed to private equity investment in health care has likely allies in Congress, such as Rep. Lori Trahan (D-Mass.). | House Television via AP

More than 5,000 physicians are joining forces on March 5 to oppose private equity's expanding footprint in health care.

Advocacy and trade groups OrthoForum, the [Association for Independent Medicine](#) and the Physician Empowered Leadership of Transformational Organizations are

among the founders of the Coalition for Patient-Centered Care that's hoping to influence policy at both the state and federal level.



The coalition's goals include:

- Eliminating tax breaks when private equity acquires physician groups
- Applying the same requirements and regulations for physician acquisitions to private equity deals
- Increasing reporting and transparency requirements for private equity groups that acquire physician practices

Why it matters: Private equity firms are buying up physician practices at a rapidly increasing rate.

A report released last year found that private equity [acquisitions of doctor practices increased sixfold](#) over the course of a decade, from 75 to 484 deals from 2012 to 2021.

It associated private equity-backed medical groups with higher health care prices, particularly if a group controlled more than 30 percent of a regional market.

In addition to higher costs, private equity backing worsens patient care, the coalition argues.

When private equity moves in, doctor groups often move out of network, meaning

patient costs go up and access to care goes down, said Dr. Frank Aluisio, a coalition member, orthopedic surgeon and president of EmergeOrtho.

"They're beholden to their shareholders and their goal for the practice is just growing the value financially of the practice so they can have a sale event," Aluisio said. "It's all about profit over patient, instead of patient over profit. That's the most basic level of why we oppose it."

Private equity firms dispute critics' assessment of their impact on health care and are concerned that the Federal Trade Commission, which is studying the impact, isn't giving them a fair shake.

In a March 4 letter to FTC Chair Lina Khan, general counsel to the industry-backed American Investment Council, Rebekah Goshorn Jurata, [said that](#) "private equity investments consistently support quality, affordable health care for patients."

She cited research that found private equity-backed hospitals have better staff-to-patient ratios and pay than health systems that don't have private equity owners.

The new doctors' coalition has allies in Congress, including Rep. [Lori Trahan](#) (D-Mass.), who criticized the [private equity-backed hospital model](#) during a Capitol Hill hearing in January, pointing to hospitals in her district that were purchased by private equity and then slated to close.

"The private equity health care model is fundamentally broken. It puts profits over patients and providers, and inevitably leads to worse health outcomes," Trahan told POLITICO in a statement.

In the Senate, Sens. [Chuck Grassley](#) (R-Iowa) and [Sheldon Whitehouse](#) (D-R.I.) [launched an investigation last year](#) into private equity ownership of hospitals.

What's next: The coalition is focused on recruiting patients, consumers and employer groups. They want to gather momentum among doctors and physician groups, too. While the coalition hasn't gained traction with the American Medical Association, which tends to avoid taking sides on issues their members might disagree on, Dr. Marco Fernandez, an anesthesiologist, said it's his goal to get legacy groups like the AMA and the American Society of Anesthesiologists to participate.

The FTC [is hosting a workshop Tuesday](#), examining private equity's impact on health care. Karen Simonton, CEO of the OrthoForum will speak.

CLARIFICATION: This story has been clarified to better reflect the Coalition for Patient-Centered Care's efforts to recruit additional members.



YOUR ACCOUNT MANAGEMENT TEAM

Sienna Brown

Sr. Account Management Associate, Pro
sbrown@politico.com

Sean Scott

Account Manager, Pro
sscott@politico.com
