

REPORT OF THE ORGANIZED MEDICAL STAFF SECTION
GOVERNING COUNCIL

OMSS GC Report C
(I-24)

Subject: Acquisition and Consolidation by Private Equity/Hedge Funds into the Practice of
Medicine
(OMSS Resolution 3-I-23)

Presented by: Nancy Church, MD, Chair

Referred to: OMSS Reference Committee
(, MD, Chair)

1 INTRODUCTION

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3 At its 2023 Interim Meeting, the OMSS Assembly referred Resolution 3-I-23, Acquisition and
4 Consolidation by Private Equity/Hedge Funds Into the Practice of Medicine, for report. The
5 resolution asked the AMA to:

- 6
7 1. Open a deep investigation into the current status of such consolidations, with an eye on
8 informing physicians, whether employed or of private practice, of the ramifications of this
9 pattern.
10
11 2. Monitor this practice to keep apace of the impacts on the practice of medicine, at all
12 levels including on a national level.
13
14 3. Consider proposing regulations and/or other restrictions as deemed appropriate to
15 combat this new intrusion and disempowerment of physicians.
16
17

18 DISCUSSION

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20 Resolution 3-I-23 seeks to develop mechanisms to keep physicians informed about the penetration
21 of private equity and corporate ownership into the practice of medicine. While the topic can feel
22 unremarked upon, the Governing Council was able to identify a variety of efforts either currently
23 underway or in process inside and outside the AMA.
24

25 Multiple¹ organizations and research² bodies, including³ the AMA⁴, have compiled reports on the
26 status of private equity and its penetration into the healthcare sector as well as providing guides⁵ for
27 navigating private equity contracts and relationships.
28

29 The AMA has a substantial body of adopted policy related to private equity, including Establishing
30 Ethical Principles for Physicians Involved in Private Equity Owned Practiced (D-140.951), The
31 Impact of Private Equity on Medical Training (H-310.901), The Regulation of Private Equity in the
32 Healthcare Sector (D-160.904) and Corporate Investors (H-160.891). While these examples do not

1 present a comprehensive picture of private equity's role in healthcare delivery, they do represent
2 the foundations of AMA analysis.

3
4 The most recent example of the expanding body of private equity-related policy at the AMA is The
5 Corporate Practice of Medicine, Revisited (D-215.982), originally an OMSS resolution adopted at
6 Annual 2024, which instructs the AMA to revisit the concept of restrictions on the corporate
7 practice of medicine with a report due back in 2025. The OMSS Reference Committee during
8 Interim 2023 actually initially recommended that The Corporate Practice of Medicine, Revisited
9 (Res. 4-I-23) be adopted in lieu of Acquisition and Consolidation by Private Equity/Hedge Funds
10 Into the Practice of Medicine (Res. 3-I-23), though that recommendation was not accepted by the
11 Assembly. The Reference Committee believed Res. 4 contained a more fulsome set of instructions
12 for a report back. The continued acceptance of new policies like D-215.982 illustrates that it is
13 reasonable to assume that the battery of private equity-related policy at the AMA will only expand
14 in the years to come.

15
16 The AMA Journal of Ethics plans⁶ to publish an issue in May 2025 on private equity in health care,
17 having already invited manuscripts for the issue that consider how clinicians and organizations
18 should respond to incentives to sell to private equity entities, among other considerations. The
19 JAMA Network has additionally published a variety of pieces covering private equity, in
20 September 2022⁷, April 2023⁸, December 2023⁹, and September 2024¹⁰.

21
22 The AMA has engaged in direct action with various federal agencies and bodies to raise awareness
23 of private equity's healthcare implications and discuss concerns about its continually growing
24 presence in the sector. In the last two years, the AMA has engaged with the Centers for Medicare
25 & Medicaid Services¹¹, the U.S. Department of Labor¹², The United States Senate¹³, the United
26 States House of Representatives¹⁴, and the United States Federal Trade Commission¹⁵.

27
28 Substantial efforts are being made to inform and guide physicians about the risks and benefits of
29 private equity. Additionally, plans are already in process for future AMA reports in the next six to
30 twelve months that will speak to the current state of private equity in the practice of medicine and
31 evaluate options for engagement with (or avoidance of) such entities by physicians. Multiple
32 reports are expected to be introduced from various AMA councils on this subject over the course of
33 2025 and beyond.

34 35 CONCLUSION

36
37 There is a wide body of work investigating not only the financial effects of private equity on
38 various types of healthcare practices but also how deeply corporate ownership of medical practices
39 has penetrated the healthcare sector. Numerous reports and analyses, both within and outside the
40 AMA, on the subject illustrate the extent to which the issue had not gone unnoticed nor
41 unremarked upon. Given that, it is sensible to ask if the AMA is the proper body to prepare and
42 regularly report on the implications of private equity and, if so, what content should such a report
43 cover? The OMSS Governing Council agrees that the issue of private equity is a serious one and
44 one that deserves close monitoring and analysis. The Council is also generally persuaded that such
45 investigative enterprises are already underway and that much of the goal of Resolution 3-I-23 has
46 been met or is in the process of being realized.

47 48 RECOMMENDATION

49
50 The OMSS Governing Council recommends that the following be adopted in lieu of Resolution 3-
51 I-23, and that the remainder of this report be filed:

- 1
2 1. That the goals of Resolution 3-I-23 have been or soon will have been met through a variety
3 of AMA initiatives, including formal reports scheduled for release in 2025, continued
4 outreach and education of physician members, and routine and continued action on the part
5 of the AMA's federal regulatory and advocacy apparatus.
6
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