

## **Marketplace Dynamics**

### **Intro**

- Definitions and explanations of terms- horizontal and vertical integration, private equity, venture capital
- Data and trends around consolidation and PE investments
  - National trends
  - Lack of transparency makes challenging to track
  - Forces are multifactorial, impacts not monolithic
  - Evidence has shown negative impacts on patients, providers, and payers- in these areas PCPRC has greatest concerns

### **Discussion**

- Negative impact of PE on patients, providers, and payers
  - Increased rates of complications, readmissions; contribution to “financialization”
  - Long-term financial impact on practices – extraction of wealth/resources
  - Rising costs for payers due to market consolidation
- Workforce implications
  - Loss of autonomy, burn out
  - Future of primary care workforce
- Impact on (reflection of) flow of payments
  - PE a symptom, not a cause
  - Connection to work of PCPRC
- State and federal policy levers related to PE
  - CA law - vetoed by Governor; mandatory approval process for acquisitions
  - OR law - died during session (likely reintroduced); practices majority owned by physicians, limit ability of MSOs to make hiring/termination decisions
- Non-compete agreements
  - Awareness of CO protections, continued use of non-competes in contracts
  - Non-competes have detrimental impact on PCPs, acutely felt in rural areas
  - Exacerbate shortages, ability to recruit and retain
- In putting forth future recommendations, PCPRC recognizes importance of examining how existing systems (CO & National) impact flow of payments
  - ACOs – benchmarking, attribution, HRSN, pediatrics
  - Independent primary care – additional payments, upfront capital for “low-revenue” physician led ACOs, reduce threshold of minimum covered beneficiaries
  - Multiple CMMI models

### **RECOMMENDATION(S):**

- Specific recommendations?
- Education & awareness
- Continue to stay at front of innovation solutions