

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