

Dear Members of the Health and Human Service Committee Members

With the current, greater than 60% nationwide hospital acquisition of physicians, obtaining a collaborating physician here in the State of Kansas is almost nearly impossible today. Regionally, more than half of physicians in the Midwest were or are employed by hospitals, and in 2016 more than one-third of Midwest physician practices were hospital owned. Syrop (2016) states rural practices owned by hospitals significantly outpaced that of its urban counterpart by 102.6% growth verses 77% growth for urban practices. That has held true for our small nurse practitioner owned clinic, which sits quietly in the suburbs of Johnson County, where physician acquisition is at an even higher rate than the national average.

This past year, our collaborative physician colleague fell prey like many physicians in the Midwest to the movement towards hospital Acquisition. With a 45,000-physician shortage deficit, physicians have found it hard to continue to compete in the current healthcare market due to rising healthcare cost, lower insurance reimbursements, Centers for Medicare and Medicaid Services (CMS) demands and the demand of electronic medical records (EMR). As the number of independent doctors shrinks, market dynamics have changed. This has resulted in patients having fewer choices and higher health-care costs. Hospital acquisitions have dominated the market, reducing competition in healthcare even creating anti-trust concerns. Competition in healthcare can only lead to improvements in high-quality healthcare deliverance and improved patient health outcome. Acquisition itself drives up patient healthcare cost which is one of the leading causes of bankruptcy today for patients.

Because of the changing landscape in healthcare it has also led to a lack of physician availability for collaboration with nurse practitioners in Kansas. Because of acquisition domination nurse practitioners in rural Kansas or inner city lack the ability to find a physician able to collaborate, even though many are willing. Physicians acquired by hospitals are often unable and/or held hostage by practice agreements to not be able to collaborate with nurse practitioners. Physicians malpractice policies are more often initiated or held by the hospitals which have procured the physician, therefore prohibiting physician availability again for collaboration. Because of these malpractice clauses and Kansas insurance policies, it is difficult if not impossible to obtain a secondary malpractice policy for a physician willing to collaborate with a nurse practitioner in Kansas. Malpractice carriers will not cover physicians with standing policies because coverage is not limited in Kansas. Therefore, a physician's primary policy, with another agency, would also have to pick up any and all claims made in the state of Kansas whether a secondary policy was held or not.

Therefore, legislating collaborative practice agreements or limiting full practice authority for nurse practitioners does more harm than good for the people of Kansas. Collaborative Practice Agreements lend a false sense of security to the public, they limit patient access to healthcare as well as limit access to alternative healthcare providers in Kansas. More importantly, they limit the ability for nurse practitioners to bridge the gap in healthcare access for Kansans and to lower healthcare cost for its citizens.

Sincerely,

Karen K. Trees DNP, RNC, CNM, WHNP-BC, FNP-BC and Dana Hanson MS, APRN

REFERENCES:

"The Kansas Department of Insurance will only allow physicians to purchase insurance from a state admitted carrier. Admitted carriers are backed by the state guarantee and are regulated by the Department of Insurance.

Healthcare providers are also required to participate in the Health Care Stabilization Fund (HCSF), which provides additional coverage on top of their commercial carrier policy. Healthcare providers are to select one of three options for additional coverage provided by the HCSF and are then charged a surplus on their premium."

<https://www.ajmc.com/focus-of-the-week/hospital-acquisition-of-independent-physician-practices-continues-to-increase>

<https://www.scholars.northwestern.edu/en/publications/the-effect-of-hospital-acquisitions-of-physician-practices-on-pri-2>

<https://www.beckershospitalreview.com/finance/medical-bills-rise-after-hospitals-acquire-physician-practices-studies-suggest-4-takeaways.html>

<https://kansasindependentphysicians.org/about-kip/>