



September 18, 2023

The Honorable Lina Khan  
Chair  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

**Re: Draft FTC-DOJ Merger Guidelines for Public Comment**

Dear Chair Khan,

Thank you for the opportunity to provide input into the Federal Trade Commission's (FTC) and Department of Justice's (DOJ) draft update of the Merger Guidelines, which describe and guide the agencies' review of mergers and acquisitions to determine compliance with federal antitrust laws.

The Partnership to Empower Physician-Led Care (PEPC) is a membership organization dedicated to supporting value-based care among independent physicians and practices to reduce costs, improve quality, empower patients and physicians, and increase access to care. Our members include Aledade, American Academy of Family Physicians (AAFP), California Medical Association (CMA), and Medical Group Management Association (MGMA). We also have individual and small medical group supporters across the country, many of whom are independent physicians or practices and wish to remain so.

Independent physician practices are the foundation of our nation's health care system. They have [repeatedly](#) demonstrated their superior ability to generate positive results in value-based care arrangements, both in improved health outcomes and reduced costs. In our vision of the future, this important piece of the health care system not only survives, but thrives as a result of policies that place independent physicians on a level playing field with other providers and opportunities to test new models with components that reflect their unique circumstances.

However, consolidation in the health care sector has put the future of independent practice at risk and in turn jeopardizes equitable access to care in patients' own communities. In 2022, the American Medical Association [found](#) that fewer than 47 percent of physicians worked in private practice, a decrease from over 60 percent in 2012. The situation has only worsened since then, as private equity firms and other players have redefined what consolidation looks like in health care.

This consolidation has led to higher costs without measurable improvements in quality. Recent studies highlighted in a March 2020 Medicare Payment Advisory Commission (MedPAC) [report](#) found that provider consolidation with hospital/health systems led to an increase in commercial prices from three percent to 14 percent, without corresponding increases in efficiencies or quality. The report found that physicians whose practices were acquired by hospitals were more likely to bill for more services in the hospital setting and fewer in the office setting; and hospital acquisitions of a physician practice had little effect on improved outcomes on a range of issues, such as mortality, acute circulatory conditions, and diabetes complications. Earlier this month, new [research](#) added to this evidence base, finding that vertical integrations between primary care physicians and large health systems led to steering of patients into health systems and increased spending on patient care, with no measurable impacts on quality.



**Given the largely negative impact of provider consolidation on the health care system, PEPC supports action to increase competition among providers to achieve key health care goals, including improved quality, reduced cost, and increased access to care. There are many steps that the Administration, Congress, and states must take to fully achieve this goal.**

We support legislative and regulatory action that creates parity across practice settings; aligns incentives to enable a range of providers to move toward value-based care; and prohibits anti-competitive behavior. We believe that value-based care provides the opportunity for providers to collaborate and deliver coordinated patient care while maintaining patient choice and provider competition within local markets, which is essential to strong physician-patient relationships.

We were also pleased to see the Department of Justice’s (DOJ) Antitrust Division and the HHS Office of the Inspector General (OIG) sign a memorandum of understanding ([MOU](#)) in December 2022, strengthening the partnership between the two agencies to promote competitive health care markets. As the Administration continues to pursue oversight and antitrust enforcement, we urge it to keep small and independent practices in mind.

Lastly, a critical component of preserving competition and supporting the independent physician landscape is ensuring that Medicare reimbursement rates keep pace with inflation and rising costs. There are many practices today who are faced with the untenable decision of selling their practice or going out of business altogether. Increased antitrust enforcement must be coupled with adequate reimbursement for independent physicians and practices; otherwise, the FTC and DOJ will be merely forcing certain practices out of business – which is counter to our shared goals of promoting competition and protecting consumers.

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Thank you in advance for your consideration of these comments. Please do not hesitate to reach out to me if you have questions or the Partnership to Empower Physician-Led Care (PEPC) can be a resource to you. I can be reached at [kristen@physiciansforvalue.org](mailto:kristen@physiciansforvalue.org) or 202-640-5942.

Sincerely,

Kristen McGovern  
Executive Director