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RE: Workshop on Examining Health Care Competition

The Association of American Medical Colleges (AAMC) welcomes the opportunity to submit comments in response to the panels that discussed a broad range of issues during the March 20-21 Workshop, Examining Health Care Competition. The AAMC is a not-for-profit association representing all 141 accredited U.S. and 17 accredited Canadian medical schools; nearly 400 major teaching hospitals and health systems, including 51 Department of Veterans Affairs medical centers; and nearly 90 academic and scientific societies. Through these institutions and organizations, the AAMC represents 128,000 faculty members, 75,000 medical students, and 110,000 resident physicians.

While the Workshop covered a wide range of issues that have the potential to affect health care competition, the AAMC's comments will focus on just two: price transparency, a topic that was examined during a panel devoted to that issue and during a panel that examined the importance of discussing price and quality in tandem; and narrow networks, a topic that was raised in the context of other issues. Both topics have an important bearing on competition, and neither can be addressed without considering a myriad of interacting issues. There is value in promoting both competition and changes in health care delivery that encourage coordinated care across the continuum of services. For AAMC member teaching hospitals and health systems, sustained support for the missions of education and research in the face of these changes is essential, not only for the health of these institutions but also for the entire health care system that receives substantial benefits from them.

Price Transparency

The AAMC strongly agreed with the panelists that discussions of price transparency need to start with a shared vocabulary. To that end, the AAMC supports the work done by the Healthcare Financial Management Association (HFMA) in the recently released document *Price Transparency in Health Care*. The AAMC is sharing this document with our members and encouraging them to adopt these common definitions. Even with a shared vocabulary, however, discussions about "price" are extremely complex, as information needs to be tailored to the needs of its user, whether it be the patient, insurer, provider, or employer.

AAMC members report that faculty, medical students, and residents also want to understand the cost and quality information that goes into the value equation. Strong evidence that current and future physicians will need to understand and apply information about the price, cost, and quality of care is found in the Core Competencies established by the Accreditation Council for Graduate Medical Education (ACGME), the organization that accredits residency programs for MDs. The competencies are to be met by all accredited programs and include the requirement that residency education programs are expected to:

Incorporate considerations of cost awareness and risk-benefit analysis in patient and/or population-based care as appropriate.

The AAMC recently began a year-long project that examines price transparency, cost, quality, and value within the context of medical education. Additionally, the AAMC is working to draft patient-focused price transparency principles for academic medicine. The Association looks forward to sharing our work with the FTC.

Narrow Networks

As is generally true, the economics of narrow networks – who they help, who they hurt—can be examined from many angles. What often is lost in the discussion is the impact that narrow networks have on academic institutions that are committed to research and education in addition to patient care. Excluding teaching hospitals and physicians from provider networks threatens their financial ability to sustain their missions. High-quality research and education relies not only on financial resources but also on an adequately sized patient population. Narrow networks may threaten these critical teaching hospital missions by shrinking their patient population. For training purposes, residents need to be exposed to a large number of patients with a wide variety of conditions and diseases. We currently are facing a physician shortage, a burgeoning Medicare population, and a growing number of newly insured individuals. As the FTC examines the impact of narrow networks on competition in the health care system, the AAMC urges the Agency to consider these realities.

If you have questions or would like additional information, please contact Ivy Baer, Senior Director and Regulatory Counsel, at 202-828-0499 or ibaer@aamc.org.

Sincerely,

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