

April 25, 2014

Federal Trade Commission
Public Comment Initiative #542
Announcement of Public Workshop, "Examining Health Care Competition"
("Health Care Workshop") Project No. P13-1207
<https://ftcpublic.commentworks.com>

RE: Health Care Competition Conference

Dear Commission Member:

I am writing to you, to bring awareness to the anti-competitive affects an Accountable Care Organization (ACO) has had on the delivery of healthcare services in my region. If my information were public knowledge, I fear retribution from this ACO in the form of the ACO boycotting and refusing to send referrals to me completely, therefore, I wish to remain anonymous. I am a licensed physical therapist provider and have owned and operated an outpatient physical therapy practice in Fairfield Connecticut for the past fifteen years. Being in private practice for fifteen years, in the same geographic area, has given me a unique opportunity to witness and experience, first hand, as a healthcare provider, the dwindling competition that exists within the healthcare industry. I believe the creation of the ACO has resulted in a decrease in competition between the ACO and those healthcare providers practicing outside the ACO with a clear advantage in favor of the ACO.

There is an ACO in my area that has been in existence for approximately three years. Currently more than two hundred (200) doctors belong to this ACO with roughly two thirds being primary care physicians. This is of great concern to me, being a physical therapist practicing as a non- ACO member, due to the fact that many physical therapy referrals, on an out-patient basis, are derived from the primary care physician. Since the inception of this ACO, I have experienced a consistent, year after year decline in referrals from primary care physicians that now belong to this ACO that before belonging, used to refer to my physical therapy practice on a regular basis. The decrease in referrals affecting my practice equates to a 30% decline realized the first year, a 50% decline realized the second year and a 75% decline in referrals realized this third and current year. It is my opinion, due to the bundled payment system, physicians that belong to an ACO are incentivized to refer only to the physical therapy services provided by the ACO member (which are much more expensive than my services) or not refer to physical therapy at all. Approximately three years ago, shortly after its formation, this particular ACO brought in one physical therapist, already an employee of a physician group, to join. I believe that the ACO has too much control over where a large number of patients are being referred for physical therapy and other healthcare services. If this trend continues, my concern is that I, and other non-ACO healthcare providers in my area, will

be driven out of business even though we might provide higher quality services at a lower price. A decrease in the number of healthcare providers practicing in a particular geographic area will decrease access to and choice of providers available to the healthcare consumer.

Another ramification of decreased competition within the healthcare industry, brought about by the formation of the ACO, negatively impacting the consumer, is the likelihood of an increase in healthcare cost. Due to its organizational size, an ACO has the advantage of having a stronger negotiation position when negotiating reimbursement rates with commercial health insurance companies. Taking physical therapy for an example, the ACO is able to negotiate reimbursement rates with commercial health insurance companies for physical therapy services that are frequently two to three times greater than that of the reimbursement rate a private practice physical therapist can negotiate when practicing outside the ACO. I fear that as time goes on, a substantial decline in patient referrals, along with having no negotiation power with insurers, will result in fewer healthcare providers practicing outside the ACO being able to stay in business. The ACO will have the advantage of an even greater increase in market share, resulting in a stronger negotiation position, with regards to third party payers, compared to what it already has. Due to the fact that most commercial health insurance companies are for profit, the increase in cost incurred by them will most likely be passed down to the consumer in the form of higher premiums, co-pays, and deductibles and / or a reduction in healthcare plan benefits. The healthcare consumer, when paying on a private pay basis, will also be at a disadvantage when being forced to pay the ACO's healthcare service rates. In my opinion this will again leave the consumer with an increase in healthcare cost, and possible reduced benefits in stark contrast to what the formation of the ACO was intended to accomplish.

Another issue pertaining to higher health care cost, associated with an ACO, which negatively affects the consumer has to do with the cost of comprehensive medical services. With regards to my physical therapy private practice, 90 % of the patients I treat do not require services from other health care specialists nor do they require hospital admission. These patients come to my practice being diagnosed with basic muscular-skeletal dysfunction. They only need physical therapy and therefore should not have to pay add-on "facility fees" or higher costs associated with the ACO's managed and integrated care model. If the ACO has the potential of driving smaller private practices, like mine, out of business, then a majority of patients will be forced to seek physical therapy treatment at a higher cost facility. I believe this is bad for the healthcare consumer and for our society as a whole.

One more issue I would like to call to your attention has to do with price transparency. It is my opinion that the ACO is currently negligent in its obligation to provide the healthcare consumer with readily accessible information related to what it charges third party payers. I believe not providing easy access to this information puts the healthcare consumer at a disadvantage. I have treated numerous patients who stated they had difficulty in obtaining billing and fee information from their physician belonging to an ACO. Some patients have claimed that it can take months of requesting, searching on

line web sites (if the consumer is internet savvy or has access to a computer) and communicating with various administrative and billing departments, before receiving this information. If the ACO controls the referrals but refuses to tell patients how much its services cost, the patient can't choose me as the lowest cost provider. In order for competition within the healthcare industry to have its intended positive affects, primarily to reduce cost and improve quality, access and choice, the consumer has the right to know what is being charged for the service being provided to them and also has a right to provide public comment based on their assessment related to the value and quality of service they've received.

I want to thank you for taking the time to read this letter as it relates to my concern over the anti-competitive impact ACO's will have on the healthcare industry. I hope the FTC can find a way to use its regulatory power to prevent large ACO's from driving the low cost private practitioners out of business and preserve competition in health care in the best interest of consumers

Sincerely,

Anonymous Physical Therapist.