

Federal Trade Commission – April 14

"Listening Forum on Firsthand Effects of Mergers and Acquisitions: Health Care"

Good afternoon. I'm Sue Sedory, Executive Director and CEO at the American College of Emergency Physicians.

On behalf of our 40,000 members, we appreciate the opportunity to share what we're hearing about the first-hand effects of mergers and acquisitions in emergency medicine.

The impact of the consolidation of emergency physician practices on both physicians and their patients is of great concern to us, particularly in light of the high rate of acquisition by hospitals, health systems, and corporate entities (such as private equity and health insurance companies).

To inform our insights, we recently distributed a questionnaire to our members asking about their first-hand experiences with acquisitions.

We received over 110 responses which showed:

- While some noted a positive impact in negotiating more fairly with insurance companies, most noted numerous anti-competitive labor-related effects including:
 1. Reduced wages and/or Non-cash Benefits
 2. Infringement of due process rights
 3. Interference with physician autonomy to make independent medical decisions benefiting patients.
 4. Inability to find a job or undue imposed restrictions on ability to switch jobs
 5. A shift to use of a less-skilled health care workforce jeopardizing patient care.
- Specific to labor market competition, 63% indicated that the merger made it more difficult to find and/or keep a job.
- For wages, 60% indicated their compensation had been reduced, with most experiencing a pay cut of more than 20 percent
 - And of the 40% who experienced no change in pay or a pay raise after the merger, many noted that their overall hours were cut.

Given these findings, we recommend the FTC and DOJ update their guidelines for evaluating mergers to include a detailed assessment of these types of labor-related impacts. Once the guidelines have been revised, it is important to investigate mergers that have led directly to the anti-competitive and harmful practices we documented. Having updated guidelines without any weight of enforcement behind them is only half a solution.

Thank you.