

The Honorable Michael Burgess, MD
2161 Rayburn House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Morgan Griffith
2202 Rayburn House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Tony Cárdenas
2181 Rayburn House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Vicente Gonzalez
154 Cannon House Office Building
United States House of Representatives
Washington, DC 20515

Dear Representative Burgess, Representative Cárdenas, Representative Griffith, and Representative Gonzalez:

On behalf of the more than 39,000 orthopaedic surgeons and residents represented by the American Association of Orthopaedic Surgeons (AAOS), I am writing in strong support of the Physician Led and Rural Access to Quality Care Act. This legislation would provide critical exemptions to current physician self-referral laws for physician-led hospitals located in rural areas. The bill would also afford all physician-led hospitals that were built before the enactment of the Affordable Care Act (ACA) the ability to expand.

Rural hospitals provide essential healthcare services to millions of Americans, but they continue to face immense financial pressures and workforce shortages that threaten their viability. On average, rural hospitals operate on margins half that of urban hospitals, and over 130 rural hospitals have closed since 2010. The law limits who can own hospitals, which artificially limits options as to the type of entity that can rescue a hospital on the cusp of closure. Lifting the physician ownership ban would allow physician-led hospitals to provide care in these underserved rural communities.

The Physician Led and Rural Access to Quality Care Act would preserve these critical parts of our healthcare system by allowing physicians to be a part of the ownership model of a hospital that is more than 35 miles from another hospital or critical access hospital. This legislation would provide a targeted solution to empower physician-led hospitals in underserved rural areas. It would represent an incremental and reasonable step that would expand options for maintaining access to care when a rural community is at risk of losing its hospital.

Physician-led hospitals have been shown to provide high-quality care at lower costs compared to other hospitals. Studies have found that they deliver savings to Medicare, feature lower prices for procedures and are more efficient. Consolidation of rural hospitals into larger health systems actually reduces services and responsiveness to community needs. More competition from physician-led hospitals could provide needed alternatives to consolidation.

Access to local emergency and inpatient care is crucial for rural communities. Passing the Physician Led and Rural Access to Quality Care Act would help keep rural hospital doors open and preserve health care access for rural Americans.

Thank you for your leadership on this critical legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Tornetta III". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Paul Tornetta III, MD, PhD, FAAOS

AAOS President

cc: Annunziato Amendola, MD, FAAOS, First Vice-President, AAOS
Wilford K. Gibson, MD, FAAOS, Second Vice-President, AAOS
Thomas E. Arend, Jr., Esq., CAE, CEO, AAOS
Nathan Glusenkamp, Chief Quality and Registries Officer, AAOS