For Immediate Release
July 22, 2019

Health Plans Owning Doctors Is a Conflict of Interest—and Patients Pay the Price

*Citizens’ Council for Health Freedom* Says Patients Viewed as Financial Liabilities When Health Plans, Hospitals and Doctors Combine

ST. PAUL, Minn.—What happens when a health plan purchases, runs or otherwise engages in the everyday operations of a hospital or clinic?

It introduces a troubling conflict of interest between patients and their doctors, says *Citizens’ Council for Health Freedom (CCHF).*

Such is the case in Minnesota, where Blue Cross Blue Shield (BCBS) will soon co-own 20 outpatient clinics within the North Memorial Health system. It’s just the latest in many similar joint ventures, reports *Modem Healthcare.* The Minnesota joint venture will kick off in January, with North Memorial Health owning a 51% stake and BCBS owning 49%.

“*These partnerships and mergers are reshaping medicine,*” said CCHF president and co-founder Twila Brase. “*What happens to the charitable mission of medicine when payers and providers merge? With Blue Cross Blue Shield running the clinic, who is the doctor working for? Patients or the payer? How will Blue Cross Blue Shield influence what doctors can and cannot do for patients? To what extent will a health plan running a provider group improve the health plan’s bottom line by restricting access to care? And who owns all the data?*

The deal will create a separate business entity to address “increasing financial pressures,” and “focus on cost reduction by eliminating much of the administrative burden that has defined the relationship between payers and providers,” say corporate leaders of the joint venture.

“We’re concerned that such consolidation within the industry will lead to higher costs for patients and centralized controls over the provision of care. Simply put, the payer with all the premium dollars and the provider with all the medical skills are in a business partnership, but the patient, with neither the funds nor the skills, is vulnerable to whatever corporate limits the joint venture may decide to impose on patient care.”

Ironically, Brase added, the Affordable Care Act prohibits doctors from owning their own hospitals due to a conflict of interest. *Studies show,* however, that physician-owned hospitals “are associated with lower mean Medicare costs, fewer complications and higher patient satisfaction.”

The merger of payers and providers is increasing. In April, Blue Cross and Blue Shield of Texas announced plans to partner with Sanitas to open 10 primary-care medical centers throughout Dallas and Houston. UnitedHealth’s Optum acquired DaVita’s large group of independent physicians, and CVS Health completed its acquisition of the insurer Aetna last November.
Brase writes about government and health plan control of treatment decisions in her award-winning book, “Big Brother in the Exam Room: The Dangerous Truth About Electronic Health Records,” which also exposes how the mandated, government-certified electronic health record technology has negatively affected doctors and patients. It also details the federal HIPAA “no-privacy” rule (Section IV). Learn more at www.BigBrotherintheExamRoom.com.

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