

Fifth National ACO Summit

Thursday, June 19, 2014

Track Six

3:45–5:30 PM Consolidation and Competition in Health Care Markets: Implications for ACOs

Mark McClellan, MD, PhD, Director, Health Care Innovation and Value Initiative, Brookings Institution **(Moderator)**

1. **Deborah Feinstein, JD**, Director, Bureau of Competition, Federal Trade Commission
2. **Robert Berenson, MD**, Institute Fellow, Urban Institute
3. **Toby Singer, JD**, Partner, Jones Day
4. **Paul Ginsburg, PhD**, Norman Topping Chair in Medicine and Public Policy, University of Southern California

Panel Overview

Current trends in the health care markets suggest that health care reform has been accompanied by continuing integration involving hospitals, physician groups, and other health care facilities. While greater clinical integration may create opportunities for better care coordination, increased efficiency, and other improvements in care, greater consolidation of hospitals, physician groups, and other health care organizations may also lead to higher prices. This tension between the benefits of clinical integration and the anticompetitive effects of consolidation is likely to intensify as better-targeted treatments and progress in information technology continue to enable more integrated care that is well-coordinated at the person level, and health care financing that is moving away from fee-for-service towards payments that place accountability and risk on providers for better outcomes and lower costs. This panel of legal and economic experts will discuss current trends of consolidation and competition in health care markets and, moreover, will share their thoughts on how these considerations affect current and future accountable care organizations (ACOs).

Core Questions

- What do antitrust enforcement agencies such as the Federal Trade Commission (FTC) and Department of Justice (DOJ) consider when evaluating new combinations such as accountable care organizations?
- How will current trends of consolidation and competition in health care markets impact the formation of new accountable care organizations?
- What does the current research show about the impact of provider consolidation on health care prices and quality?
- Do the particular payment models adopted affect the potential of ACOs to exercise market power over prices?
- What may current trends reveal for the future of health care consolidation and competition?

3:45 PM

Focus

Deborah Feinstein, Federal Trade Commission (Keynote)

Deborah Feinstein will discuss the FTC's current approaches and positions towards mergers and integrations while noting that the FTC has yet to bring action against any ACO combinations. Moreover, she will share what recent actions as a result of other hospital and physician combinations may indicate.

4:10 PM

Focus

Robert Berenson, Urban Institute

Robert Berenson will discuss how payment models used for ACOs raise or mitigate concerns over market power and other possible adverse effects of integration. In addition, he will discuss the potential spillover pricing effects on commercial insurance as a result of Medicare ACOs.

4:20 PM

Focus

Toby Singer, Jones Day

Toby Singer will discuss examples that demonstrate the positive effects of consolidation and how antitrust enforcement should consider these benefits.

4:30 PM

Focus

Paul Ginsburg, University of Southern California

Paul Ginsburg will discuss how hospital acquisition of physician practices is an aspect of consolidation that raises particular concerns about price increases and decreases opportunities for competition among ACOs. He will discuss a range of initiatives to address this including support by insurers and governments to develop physician organizations and Medicare provider payment policies as well as antitrust policies

04:40 PM

Q&A