

04.26.25 POLICY PROPOSAL 3

Title: The corporate practice of medicine by physicians employed and directly influenced by hospital corporations in our state

Full Name*

Marion R. McMillan MD

Designation*

Physician

Are you submitting on behalf of a county medical society, specialty society, or other member?

No

If YES, please indicate the name of the county medical society, specialty society, or other member(s) for which you represent.

(If NO, you may skip.)

Submission / Idea*

As independent physicians, we and our patients suffer daily under the power wielded by the large hospital systems on care provided and patient's ability to see physicians. Medicine is dying. To save it and encourage the best and brightest to pursue careers in medicine, urgent reform is needed. Elimination of the influence of large corporations is a big step in the right direction.

Evidence / Support for Proposal*

Requested Action: What action is required to achieve this idea?

*(i.e. Enact legislation, have a state agency review an issue, enact an SCMA policy statement on a topic, or other action?)**

Enact SCMA policy against the corporate practice of medicine. Suggestions include:

- Legislative action to amend the SC Medical Practice Act to restrict the corporate practice of medicine and prohibit:

- Any interference with the physician's independent medical judgment in diagnosing and treating patients, including but not limited to referral of patients to independent physicians and specialists.
- Profit from the practice of medicine by employed physicians by charging a greater fee for physician services than that which would be charged by an independent practitioner for similar services.

- **Cap physician employment** and/or Professional Service Agreements to 10% or fewer of the licensees in each political subdivision as needed for: Full time residency training positions; Prisons/state hospitals/other institutions; Indigent care; Nursing homes; Other municipal or governmental needs

- **Stark anti-kickback considerations:** Stark law violations protect against patent referrals being unduly influenced by profit motive undermining utilization, patient choice and competition among participants in federal healthcare programs. See United States ex rel. Hammett v. Lexington County Health Services District, Case No. 3:14-cv-03653 (D. S.C.) <https://www.justice.gov/opa/pr/south-carolina-hospital-pay-17-million-resolve-false-claims-act-and-stark-law-allegations> . Stark allows bona fide physician employee, or PSA contractor to refer to a certain provider, including the employer. Referral allowance does not apply if: patient expresses a preference for a different health care provider; the patient's insurer elects a different physician; the referral is not in the patient's best medical interests in the physician's judgment.

Why is the Requested Action important?*

Patient care

If there are additional details not addressed above that you would like to share, please provide them here.

(If you feel that the above information is sufficient, you may skip.)