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March 20, 2019

TO: House Health and Human Services Committee

FROM: Todd Fleischer, CAE
Executive Director

RE: House Bill 2402, Authorizing Certain Business Entities to Hire Physicians and Chiropractors

My name is Todd Fleischer. I am the Executive Director of the Kansas Optometric Association, which represents optometrists across Kansas. Thank you for the opportunity to submit testimony in opposition to House Bill 2402 as it was introduced.

As we testified earlier this session regarding HB 2164, the KOA has significant concerns regarding the potential unintended consequences of the corporate practice of medicine without appropriate oversight and protections. We believe that all who provide health care to Kansans should be held to the same standard, and the public should have assurances that their health care providers are free from influence in any manner by corporations and insurers.

While many have painted this as a very simple issue, it is not. The mere fact that there have been multiple, significantly different versions of this bill floated by the proponents in the last month shows how complicated this issue really is. The proponents have positioned this as a free-market model that allows employers and insurance companies to save costs and provides better access for patients. This may be true in some cases, but there are unintended consequences as well. If insurance plan subscribers, employees and their dependents are removed from the health care market in the community and health care providers shift to practice in these settings, it does leave the remaining providers not part of this setting to see increased percentages of charity care and uninsured patients, as the proponents have indicated that charity care and Medicaid services are not in the model that they are pursuing. Long-term, we worry about the implications on the provider community, especially in some of our small to mid-size communities. The proponents have also positioned these corporate-owned clinics as having higher quality, but we question how that's possible if they are not going to interfere with patient care in any manner. We are also still concerned about liability and the impact of corporate-owned clinics on the professional liability market in Kansas.

Under the proposed bill, optometrists are not directly affected, because the Optometry Law specifically prohibits the corporate practice of optometry. But, as part of the health care delivery system in Kansas, we believe in the independence of health care providers and think that the corporate practice of medicine in any form is not in the best interest of Kansas patients. We also believe that proponents can offer the services they want to for their employees and insureds using the existing legal framework. However, we understand that this is an important issue to the proponents and appreciate their willingness to listen to some of our concerns as they attempt to develop alternative health care options to meet perceived needs in the health care market in Kansas. But if a change is truly needed, we



encourage continued deliberate discussion for solutions to the complex issues that have been raised that would allow for flexibility in health care delivery while maintaining the fundamentals of the doctor-patient relationship. We hope that those discussions can be held in a manner that would allow for intentional review of all the information, rather than rushing to put together language at the last minute and then frantically trying to determine the implications.

If the intent of the committee is to vote this bill out for consideration on the House floor, we believe it is critical that the committee adopt the amendment developed yesterday by the proponents after discussion with the Kansas Medical Society, as well as those additional amendments proposed by the KMS. While we still have grave concerns about the long-term consequences of the corporate practice of medicine in Kansas, these changes to the bill allow for better oversight and go a long way in making sure that corporate entities who desire to employ physicians and chiropractors follow the same standards as those they employ, providing appropriate patient and provider protections.

