

## **H.R. 1304 — Quality Health-Care Coalition Act**

**Summary:** H.R. 1304, authored by Rep. Campbell would exempt health care professionals from anti-trust laws when they negotiate with health plans over fees and other terms of any contract under which they provide health care items or services. While the bill would sunset in three years, CBO estimates that the effects of the bill would extend beyond that period. As amended by Rep. Conyers in Committee, the bill would exempt negotiations regarding benefits provided by federal health care programs, however, CBO still estimates that the bill will result in increased federal expenditures for certain federal programs.

**Distinction With Current Law:** Under current law physicians who are non-supervisory employees of a health organization are already eligible to form a union for the purpose of negotiating fees and contract conditions. Currently, 20% of physicians are eligible under current law to form a union and would not be covered by the Campbell bill. Of the approximately 100,000 physicians who are eligible to form a union, about 40% are union members or are otherwise covered by a collective-bargaining agreement. The bill would extend anti-trust exemption to independent physicians and other health professional including dentists and pharmacists who contract with health plans.

In addition, under current law doctors are permitted to discuss issues related to quality of care amongst themselves and with health care providers.

To compare this bill with other sectors of the economy, this bill would have the same affect as permitting independent retailers who contract to sell a particular manufacturer's product to unionize for the purpose of negotiating prices.

**Impact on Health Care Costs & Coverage:** According to the Justice Department, when health care professionals jointly negotiate with insurers they typically seek to increase their fees by sometimes as much as 20-40%. **CBO estimates that doctors, dentists, pharmacists, and other health care professionals who join a bargaining coalition would secure an increase in fees averaging 15%.** CBO further estimates that it will take approximately five years for the full impact of the bill to be felt. Based on assumptions regarding the number of health care professionals who would form unions, **CBO estimates that the bill would increase private health expenditures by about 2.6% once the full impact of the bill is realized.** This would be in addition to any increase in costs that result from the enactment of managed care reform legislation. **The increase in costs will invariably lead to an increase in the number of uninsured.** CBO estimates that federal expenditures for FEHBP, Medicaid, and State Children's Health Insurance Program would grow by \$2.5 billion over ten years, as a result of enactment of H.R. 1304.

**Impact on other Terms of a Contract:** The bill permits health care professionals to unionize for the purpose of negotiating "the terms of any contract," excluding the cessation of services to patients. **This could include a health care plan's coverage of certain procedures, including abortion services.**

**Impact on Private Businesses:** In the case of employer-sponsored health plans the higher premiums that would result from bill would either be born by the employer or would result in lower wages and benefits for employees.

**Oversight:** The bill does not provide for any regulatory oversight of these collective bargaining units. Most, if not all, collective bargaining units and exemptions to anti-trust laws are covered by the National Labor Relations Board, the Federal Trade Commission or some other regulatory entity.

Republican House Members and is chaired by Representative John Shadegg (R-AZ).