AAEM/RSA Advocacy Committee

Lay Corporations Running Residency Programs

Most of you who are reading this are here because you live, breathe, and bleed emergency medicine. EM offers the perfect mix of medicine, procedures, and adrenaline. Unfortunately, not all parties involved do it for the love of emergency medicine. While EM may be one of the youngest specialties, its short history is rife with conflict pitting hospitals against emergency medicine practitioners in the form of lay entities incorporated to manage emergency departments even though there are statutes against this practice in many states, and some even run residency programs.[1] A lay entity means that a non-physician owns and operates the emergency department. For an excellent history lesson as told by James Keaney, MD MPH FAAEM, the first president of AAEM, we highly suggest that every medical student and resident interested in EM read *The Rape of Emergency Medicine*.[2]

Although the book was published 26 years ago, the threat of lay corporations fighting to take control of emergency departments away from EM docs is ongoing. One unfortunate route to controlling EM reimbursement is through graduate medical education. A growing number of emergency medicine residency programs and fellowships are operated by incorporated lay entities. According to state law in 38 states, lay entities are prohibited from owning or operating medical practices.[3] State laws vary in restrictions, however, several state laws, including Texas and Florida directly prohibit corporations from employing physicians to provide medical services.[3] When a lay entity signs a contract to staff an emergency department, that contract, in many cases, is a clear violation of the state statute. Unfortunately, many of the entities have utilized loopholes and lobbying to work around state law. Lay entities who manage emergency departments and residency programs can be found nationwide with at least 14 residency programs and more to come.

Furthermore, there has been a push from some lay corporations for family medicine practitioners to complete one-year EM fellowships. We believe that patients are best treated by emergency medicine board prepared and trained physicians, and not those who complete a one-year fellowship. There is a long history of filling emergency departments with non-EM trained physicians as outlined in Dr. Keaney's book.

Another consideration regarding lay corporations managing emergency medicine departments is their ability to undercut emergency physicians by paying lower than fair market wages and often distributing excess fees for services rendered away from EM physicians.[4-6] In some cases, as much as 22% of potential fees for service are being diverted from physicians. Essentially, one out of every four shifts, or every fourth hour as an attending working for one of these entities will be on the house.[7]

AAEM/RSA urges all students to strongly consider where they apply. Applicants and residents should be well aware of their future and current employers and the motives that drive the program. We recommend that students applying to residency do their due diligence and consider their role in supporting lay entities whose mission to increase their profits at the cost of the individual physician, and most importantly at the cost of patient safety.

Corporate-owned programs exist in Florida, Georgia, Pennsylvania, Ohio, Michigan, West Virginia, Illinois, Nevada, Texas, and Oklahoma.

The official AAEM/RSA position statement regarding corporate management groups running residency programs can be found here: http://www.aaemrsa.org/about/position-statements/cmgs-running-residencies. ●

References

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