

AAEM Statement on Revised Version of AB 3129

The American Academy of Emergency Medicine (AAEM) and the AAEM Resident and Student Association notes that AB 3129, a California bill which limits health system consolidation, was recently amended in the Senate.

The AAEM strongly supported the original version of AB 3129. The bill, as first drafted, would improve the enforcement of California's prohibition on the corporate practice of medicine, ensuring that physicians remain in charge of a patient's healthcare. The corporate practice of medicine threatens the integrity of the emergency medicine specialty, the career satisfaction and longevity of its physicians, and ultimately the quality of care delivered to emergency patients. California's existing prohibition on the corporate practice of medicine is intended to prevent non-physicians from interfering with or influencing the physician's professional judgment. The original bill would require the Attorney General's affirmative consent for any transaction involving a private equity firm or hedge fund takeover of a healthcare facility including hospitals.

Unfortunately, the Senate's recently revised version of AB 3129 now excludes many of the bill's original provisions, exempting hospitals from the definition of a health care facility. AAEM is disappointed that lawmakers have exempted hospitals; in doing so the legislation misses an opportunity to prevent private equity firms from continuing to take over emergency departments without oversight or accountability. However, the inclusion of provider groups may still capture some emergency departments under the revised bill, and we remain supportive of this and other bill provisions which would serve some California patients.