

AAEM Statement on National Emergency Services Health (NES)

In November of 2024 AAEM issued the following statement when NES announced they would cease operations

AAEM believes that National Emergency Services Health's (NES) failure to pay its physicians for the past month constitutes contract abandonment, significantly disrupting safe patient care. To prevent ED closures, hospital CEOs are advised to pay their physicians and provide professional liability insurance. Also, the American Academy of Emergency Medicine Physician Group (AAEM-PG) is fully prepared to support NES physicians interested in establishing independent, democratic groups.

Since then, it has become evident that some of NES' physicians did not get paid and/or have their malpractice tail coverage paid for. In February 2025, they filed for Chapter 7 bankruptcy. This is one of a series of *venture capital-funded* staffing firms that have recently failed, including Envision and American Physician Partners (APP). These bankruptcies highlight the vulnerabilities of corporate management groups and their staffing models.

The desire to *do something* is a part of the fabric that makes up emergency physicians. This is reflected in the desire of AAEM to help the physicians affected by this horrible situation. AAEM has not been timid about lawsuits throughout its history, and given our recent suit against Envision Healthcare, some have asked, "can we sue NES Health?" The short answer is yes, but it is probably not a wise course of action. It would be difficult, if not impossible, for AAEM to demonstrate standing to the court (harm) and it would be challenging to obtain financial recompense for the former NES physicians from a company that has no money. *It is insolvent.*

The collapse of NES, and APP before it, underscores the fragility of staffing models reliant on thin margins, opaque finances, and external pressures from private equity. Patients and physicians both suffer when these staffing companies or corporate management groups prioritize profit over stability.

AAEM was founded in 1993 largely due to the belief of its founders that this practice model, if allowed to persist, would undoubtedly harm our specialty, our physicians and ultimately our patients. However, AAEM will continue to work to prevent these situations, by focusing on advocacy and education. AAEM advocates for legislation that requires state attorney generals to evaluate transactions that involve private equity. We support legislation to remove non-compete clauses from physician contracts and to preserve due process for all physicians that can not be contractually waived. We encourage and support through AAEM-PG, the formation of physician-led, democratic practices that retain control over contracts and finances, reducing reliance on unstable third parties. AAEM leadership is committed to educating all emergency physicians about the business of emergency medicine to give them the knowledge to confidently evaluate prospective employers in order to preserve the physician-patient relationship.