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COMMISSION APPROVED

COMMENTS OF THE
BOSTON REGIONAL OFFICE
BUREAU OF COMPETITION
BUREAU OF CONSUMER PROTECTION
BUREAU OF ECONOMICS
OF THE
FEDERAL TRADE COMMISSION

TO THE
BOARD OF REGISTRATION IN MEDICINE
OF THE
COMMONWEALTH OF MASSACHUSETTS[1]

December 14, 1984

Competition plays an important role in the delivery of health care services. In some circumstances, valuable competition results from practice by non-physician health care providers such as nurse midwives, nurse practitioners, nurse anesthetists, psychiatric nurses, and physician assistants. This contribution to competition can arise when there is competition between physicians and other health care providers licensed by the States, and when some competing physicians practice in conjunction with allied health professionals. Competition should benefit consumers by increasing the number of treatment alternatives available to patients, and by improving the efficiency with which quality health care can be delivered. It

[1] The views contained herein represent those of the Federal Trade Commission's Boston Regional Office, Bureau of Competition, Bureau of Consumer Protection, and Bureau of Economics, and do not necessarily represent the views of the Federal Trade Commission or of any individual Commissioner. The Commission, however, has voted to authorize the staff to submit these comments.

may also lower the cost of health care. The Federal Trade Commission seeks to work with groups in both the public and private sectors to remove obstacles that unnecessarily hinder competition among licensed health care providers practicing subject to the requirements of State law.

We appreciate the opportunity to comment on competition and consumer issues involved in the Board of Registration in Medicine's proposed regulations governing physicians' relationships with nurse midwives, nurse practitioners, nurse anesthetists, psychiatric nurses, and physician assistants in Massachusetts. One of the FTC's principal responsibilities is the enforcement of the antitrust laws. Through its investigations of anticompetitive conduct in that field the FTC has developed considerable knowledge about competition in the provision of health care. The Commission has, for example, taken actions to eliminate restrictions on truthful advertising by physicians, and to stop physician boycotts aimed at limiting competition from alternative health care providers. In addition, the FTC and its staff have prepared reports and economic studies analyzing competition in the health care field, and have offered their views on regulations governing health care professionals in other states.

The Commonwealth of Massachusetts authorizes certain non-physician practitioners to provide health care services that are closely related to those provided by physicians. Their presence in the market may have many beneficial effects on health care delivery that will enable consumers to obtain health services in ways and at prices that would probably not be available otherwise. As these providers begin to practice in greater numbers, more health care personnel will be available to address the problems, where they exist, of maldistribution in the provision of primary care. Patients will benefit from a broader range of choices. Physicians practicing in conjunction with qualified non-physician health care providers should be able to increase their productivity and enhance their ability to efficiently serve their patients. The physicians themselves should be freed to concentrate on more complicated, high risk procedures for which their training is more valuable. Faced with competition from physicians practicing in conjunction with non-physician providers, other physicians may choose to expand the range of services they offer or to find ways to lower their prices. Some physicians may choose to concentrate on more complicated, high risk procedures for which their training is more valuable.

In view of the potential benefits from the increased availability of non-physician health care providers such as nurse practitioners, proposed restrictions on the procedures these professionals are allowed to perform or on their relationships with physicians should be carefully analyzed before being finally adopted. If, in practice, the restrictions might hamper the ability of these professionals to provide services that they are qualified and licensed to provide, it is important to determine whether the restrictions are necessary, and whether they would provide public benefits that outweigh the potential costs to competition and patients.

Furthermore, limitations on practice resulting from unnecessarily restrictive regulations may discourage highly qualified and competent individuals from entering allied health professions -- or from practicing in particular states -- because they may perceive no possibility of fully utilizing their skills and training. This would harm consumers by decreasing the number of health care providers they can choose among and because an important source of competitive pressure that encourages physicians to improve the quality and reduce the cost of the services they provide would be lost.

In offering these comments we are not attempting to suggest particular standards that the Commonwealth of Massachusetts should adopt to govern the relations between physicians and non-physician health care providers. Delineating the appropriate

standards may involve quality of care considerations and choices that turn on medical safety questions, and we lack the expertise to offer guidance on such determinations. We do, however, urge the Board to ensure that none of its regulations governing physicians' practice in conjunction with nurse midwives, nurse practitioners, nurse anesthetists, psychiatric nurses, and physician assistants be more restrictive than is necessary to protect the public.

In sum, appropriate utilization of non-physician health care providers may lead to substantial consumer benefits. Both new consumer options and competitive pressures on practitioners already in the market have the potential for providing important improvements in consumer welfare in the health care field by lowering costs and improving quality. With health care now consuming over ten percent of the Gross National Product, we should do everything possible to maintain physicians' ability to efficiently structure their relationships with qualified nurse midwives, nurse practitioners, nurse anesthetists, psychiatric nurses, and physician assistants. This will improve the overall efficiency of the delivery of health care services.

We thank the Board for consideration of these comments.