



Opening Statement
Chairman Mike Coffman
Committee on Small Business
Subcommittee on Investigations, Oversight and Regulations
Health Care Realignment and Regulation: The Demise of Small and Solo Medical Practices?
July 19, 2012

Good morning. This hearing will come to order. I want to thank our witnesses for being here today. We look forward to your testimony.

Today, we meet to examine the changing landscape of small and solo physician practices. For many years, newly licensed physicians typically joined a private practice or opened one of their own. According to Merritt Hawkins, a national physician recruiting firm whose President is testifying today, only 1% of its searches in 2011 were for independent practices, the lowest in the firm's 28-year history, and down from 22% in 2004. Many people believe that if small and solo practices are to survive, they will look very different than the medical practices of past years.

These shifts appear to be rooted in increasing economic pressures. Younger physicians may want freedom from the long hours and administrative burdens of owning a private practice, and they need financial help with student loans, medical liability insurance and health information technology. Established physicians have cited declining reimbursements and increasing regulations, such as the reporting requirements for health information technology and the push toward Accountable Care Organizations, as reasons small and solo practices have become economically unsustainable. In a recent Wall Street Journal op-ed, Daniel Henninger described the practice of medicine as the health care law's biggest loser. We are interested in learning how all of these factors, including the requirements of the health care law, which was upheld by the United States Supreme Court, may affect small practices.

We have an exceptional panel of witnesses to help us understand these issues. Welcome; we look forward to your testimony.