

Bookmark Us



Welcome **J Billie**
[Edit](#) | [Help](#) | [Logout](#)

Thursday, April 30, 2009 10:09 p.m.

[Home](#) [News](#) [Business](#) [Entertainment](#) [Sports](#) [Photo & Video](#) [Features](#) [Contact Us](#) [Targeted Publications](#) [Classifieds](#) [Jobs](#) [Real Estate](#) [Auto](#)
[Arkansas](#) [Today's Newspaper](#) [Extras](#) [Business Wire](#) [Tech Wire](#) [Restaurants](#) [Video](#) [Arkansas Business Directory](#) [Archives](#) [Stock Market](#)

Search: Enter search terms and select a search location [Stories](#) [Archives](#) [Classifieds](#) [Stocks](#) [Google](#)

[Sign up for daily email updates](#)

[Home](#) / [Daily Newspaper Sections](#) / [Business*](#) /

Study: Specialty hospitals no big threat

BY [TOBY MANTHEY](#) ([CONTACT](#))

- [E-MAIL STORY](#)
- [PRINT STORY](#)
- [IPOD FRIENDLY](#)

LITTLE ROCK — Specialty hospitals in Little Rock and two other cities have had slight effect on the viability of their larger competitors, according to a report issued Thursday by a Washington, D.C.-based policy research group.

The Center for Studying Health System Change looked at the effects of hospitals such as Arkansas Heart Hospital and Arkansas Surgical Hospital on general facilities such as Baptist Health Medical Center and St. Vincent Infirmiry Medical Center.

"Despite initial challenges recruiting staff and maintaining service volume and patient referrals, general hospitals were generally able to respond to the initial entry of specialty hospitals with few, if any, changes in the provision of care for financially vulnerable patients," the report said.

Some critics say specialty hospitals "cherry-pick" the more-profitable, easier-to-treat and better insured patients. That, they assert, could harm general hospitals' ability to subsidize less-profitable services, such as psychiatric units and emergency services, and provide care for the poor.

General hospitals in Little Rock and Phoenix reported an increase in= patients with more severe conditions, but could not attribute the trend to specialty hospitals, the report said. Indianapolis was the third city included in the study.

Arkansas Heart Hospital opened in 1997 in Little Rock, and the North Little Rock-based Arkansas Surgical Hospital opened in 2005.

Peter Banko, chief executive officer of St. Vincent Health System in Little Rock, who was interviewed for the study, said he expected "cherry-picking" to be more of an issue in the report. His sense, he said, is there is "more of that going on than less."

But Carrie Helm, chief executive officer of Arkansas Surgical, said, "We see lots of patients with various complications here," Helm said. "When Baptist has [patients with] complications that they need to transfer to a higher level of care, they do that as well."

Arkansas Surgical does not decide whom to treat based on insurance, she said.

The American Hospital Association, which says it represents all types of hospitals, disagrees with the study.

The association said in a prepared statement that the report does "not fully represent the harmful impact limited-service hospitals have on their communities," adding it was based on "loosely structured interviews with a limited number of people."

Actions taken by general hospitals in response to specialty competitors, such as paying for on-call coverage and recruiting replacement doctors and staff, "add yet another burden on hospital's resources at a time when everyone is concerned about the rising cost of health care," the association said.

According to the report, general hospitals in some markets reported seeing more "financially vulnerable patients" since specialty hospitals appeared. Some said the cause was the draw of specialty facilities, but more attributed the trend to an increase in the uninsured population.

General hospitals have responded to specialty hospitals by strengthening their own ties with specialty physicians, the report said.

St. Vincent has aligned with a group of orthopedic physicians, creating a joint venture surgery center with them several years ago. However, Banko said he believes hospitals would be encouraging such partnerships anyway - regardless of specialty institutions.

Alwyn Cassil, a spokesman for the Center for Studying Health System Change - which says on its Web site that "it strives to provide high-quality, timely and objective research and analysis that leads to sound policy decisions" - said that Little Rock differs from other mark= ets because of the aggressive response to specialty hospitals.

Baptist Health created in 2003 an "economic credentialing policy" that kept doctors from serving on staff or having privileges because of their ownership stake in competitors, and led to a lawsuit from doctors affiliated with Little Rock Cardiology Clinic who own stakes in Arkansas Heart Hospital.

The report is based on interviews with hospital executives and other health-care experts in the markets between

- | Today's Most Popular Stories |
|--|
| 1. Obituaries |
| 2. Scholarship loss looms, AD says |
| 3. Fraternity at UCA suspended for 3 years |
| 4. Spa City standoff ends quietly |
| 5. Affiliated Foods weighs buyer offers |

ADVERTISEMENT

[AUTO](#)arkansas

[HOMES](#)arkansas

[JOBS](#)arkansas

[FOCUS](#)photos

[Arkansas](#)life

[sync](#)weekly

[GAS](#)check prices

Events Calendar						
April						
Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		
Search Events						

March and June 2008. It was funded by the Robert Wood Johnson Foundation, a Princeton, N.J., philanthropic organization focused on improving health care.

Several key developments have occurred since June.

Pulaski County Circuit Judge Collins Kilgore said this month that Baptist's policy is "void on its face as against public policy, is unconscionable, and is therefore unlawful and unenforceable." Baptist spokesman Mark Lowman declined to comment for this article because of a pending appeal.

The practice of Arkansas Blue Cross and Blue Shield and other insurers of paying some larger hospitals more than smaller competitors for the same procedures was upheld by the Arkansas insurance commissioner. That decision is being appealed by specialty hospitals, including Arkansas Surgical.

"If that were to turn the other way, it would have a devastating impact on health care in Arkansas," said Banko, saying it would hurt general hospitals' ability to subsidize less-profitable services.

Helm said most private insurers in Arkansas pay smaller hospitals "considerably less" than larger institutions, and less than Medicare in some instances.

Changing that would strengthen the financial viability of small hospitals, she said.

[This article was published Friday, April 24, 2009.](#)
Business, Pages 29, 30 on 04/24/2009

[More stories --](#)
[Home / Daily Newspaper Sections / Business*](#) /



SITE INDEX

NEWS

- Arkansas
- Today's Newspaper
- Extras
- Obituaries
- Opinion / Letters
- National
- Politics
- World
- Offbeat
- Living Green
- Archives
- Sister Papers
- E-mail Updates
- Weather

BUSINESS

- Business
- Today's Newspaper
- Business wire
- Tech wire

SPORTS

- Arkansas Sports
- Today's Newspaper
- Razorbacks
- LR Marathon
- High School News
- High School Football
- Recruiting Guy Blog
- Submit a Hole in One
- AP Sports

- Bracket Contest
- College Basketball
- College Football
- Pro Baseball
- Pro Football
- Pro Golf
- Pro Tennis
- NASCAR

ENTERTAINMENT

- Entertainment
- Out & About
- Events Calendar
- Movies
- Music
- Dining Out
- Restaurants
- Today's Newspaper
- Travel
- Entertainment wire
- Comics
- Online games
- Sudoku
- TV listings

WEB EXTRAS

- Video
- Photos for purchase
- Staff Galleries
- Community Photos
- Databases

- Blogs
- Polls
- Support Groups & Clubs
- Arkansas Links
- AP Photos
- AP Videos

COMMUNITY NEWS

- Tri-Lakes Edition
- River Valley & Ozark Edition
- Three Rivers Edition

SUBMISSIONS

- Honors & Achievements
- Bridal, engagements & anniversaries
- Calendar Events
- Support & Club meetings
- Letters to the Editor
- Submit a Hole in One
- News Tips

SPECIAL FEATURES

- Features list
- Inauguration
- Previous News Features
- A Soldier's Wife
- War Casualties
- Central High: A Look Back
- Democrat-Gazette History

CONTACT

- Forgotten Password?
- Advertising
- Corporate
- Newspaper Staff
- Website Staff
- Newspaper Delivery
- FAQ

TARGETED PUBLICATIONS

- Sync
- Capture Arkansas
- Arkansas Life
- HerStyle
- Special Sections
- Arkansas Business Directory
- Taking New Patients
- Where We Live
- Downtown Little Rock
- Spelling Bee

PROMOTIONS

- Bridal Show
- Democrat-Gazette Store

CLASSIFIEDS

- Classifieds
- Jobs
- Real Estate
- Auto

ADVERTISING

- Advertise with us

Copyright © 2009, Arkansas Democrat-Gazette, Inc.
All rights reserved.

This document may not be reprinted without the express written permission of Arkansas Democrat-Gazette, Inc.

Material from the Associated Press is Copyright © 2009, Associated Press and may not be published, broadcast, rewritten, or redistributed. Associated Press text, photo, graphic, audio and/or video material shall not be published, broadcast, rewritten for broadcast or publication or redistributed directly or indirectly in any medium. Neither these AP materials nor any portion thereof may be stored in a computer except for personal and noncommercial use. The AP will not be held liable for any delays, inaccuracies, errors or omissions therefrom or in the transmission or delivery of all or any part thereof or for any damages arising from any of the foregoing. All rights reserved.

[Home](#) | [News](#) | [Daily Newspaper](#) | [Entertainment](#) | [Sports](#) | [Photos](#) | [Videos](#) | [Weather](#) | [Classifieds](#) | [Auto](#) | [Real Estate](#) | [JobsArkansas](#) | [Help](#) | [Terms of Use](#)