

Recent Study Disproves General Hospitals' Ongoing Criticism of Physician Owned Hospitals, Shows Little to No Effect on General Hospitals' Business Reports Physician Hospitals of America

(WASHINGTON, DC) - According to an April 22 study by the Center for Studying Health System Change (HSC), general hospitals are usually able to respond to the presence of physician owned hospitals with few, if any, changes to the terms of care for financially vulnerable patients. HSC examined the impact of physician owned facilities in Little Rock, Ark., Indianapolis and Phoenix. These results refute criticism from general hospitals that physician owned hospitals are hurting their ability to care for patients.

"The results of the recent HSC study further prove that physician owned hospitals have a positive, not negative, effect on health care in the communities they serve," said Molly Sandvig, Executive Director of Physician Hospitals of America (PHA). "These results should silence any remaining criticism from opponents of physician owned hospitals."

Additionally, the authors point to the patient centered care offered at hospitals owned and operated by physicians, which results in higher patient satisfaction, greater control over management decisions by physicians as well as better quality at lower cost.

While the study confirms that more and more physicians have decided that they can provide better care to their patients at facilities they own, the general hospitals were able to easily limit any financial impact. A 2006 Medicare Payment Advisory Commission (MedPAC) study reported similar findings, further disproving the allegation that physician owned hospitals are adversely affecting general hospitals or local communities.

A 2009 study from the Health Economics Consulting Group (HECG) revealed that physician-owned hospitals also add considerable value to state economies, ranging from a net effect of \$187 million in Pennsylvania to more than \$4 billion in Texas. The combined impact across nine states (Arkansas, Indiana, Kansas, Louisiana, South Dakota, Nebraska, Ohio, Pennsylvania and Texas) is \$7.2 billion.



"Rather than pulling money away from big hospitals, the HECG study results demonstrate that physician owned hospitals are actually contributing to the community and economy," says Sandvig.

Currently there are over 200 physician-owned hospitals nationwide which consist not only of specialty hospitals such as those studied, but also of women's, children's, rehab and general acute care facilities. Together these hospitals provide over 55,000 jobs nationally and give patients access to America's top quality healthcare.

For more information on physician-owned hospitals please visit www.physicianhospitals.org or contact Molly Sandvig at (605) 321-3483.

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