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ASHA CHALLENGES RECENT REPORT CLAIMING LINK BETWEEN PHYSICIAN OWNERSHIP OF SPECIALTY HOSPITAL AND OVER UTILIZATION OF ORTHOPEDIC SURGERY

(Washington, DC) – Georgetown University has become the latest institution to jump on the anti-specialty hospital bandwagon. In a report issued this week, Dr. Jean Mitchell, professor, Georgetown Public Policy Institute, points to financial incentives for physician owners of specialty hospitals as a reason for increased utilization in orthopedic and spine surgical procedures at facilities in Oklahoma and Arizona.

The American Surgical Hospital Association (ASHA) stands firm in its position that specialty hospitals create a better healthcare environment for patients in spite of the “research” conducted by Dr. Mitchell. A recent Government Accountability Office (GAO) study contradicts the information contained in Dr. Mitchell’s study. According to the GAO study, the average physician owner held less than a 2 percent interest in the facility. Based upon this figure, to suggest that a physician would improperly refer a patient to a facility in which he or she has an ownership interest is not a valid argument.

“The points brought up by Dr. Mitchell fail to substantiate claims that the specialty hospital industry is causing harm of any sort to community hospitals,” said Jim Grant, ASHA President and COO of National Surgical Hospital. “There isn’t any information contained in those reports that challenges the information released by the Centers for Medicare and Medicaid Services (CMS), the GAO and the Medicare Payment Advisory Commission (MedPAC).”

The data contained in the report is skewed to give the appearance that financial incentives linked to ownership caused physician owners to change their practice patterns resulting in increased utilization of medical procedures and increased costs to third party insurers. ASHA contends this statement and several others contained in the report are misleading and the report should be dismissed altogether for the following reasons:

1. The author did not compare the total number of cases performed by surgeons who had invested in surgical hospitals from 1999 – 2004. The information in the study that pertains to Oklahoma was provided by a workers compensation insurer representing only 40 percent market share in Oklahoma in 2003. ASHA contends that a comparison of total number of cases would have been a more accurate indicator of over utilization.

(MORE)

ASHA Response to Georgetown University Report on Specialty Hospitals

2. Only one small subtype of surgical procedure was selected which was not performed prior to 2000. When the procedure became more developed, user friendly and was shown to be successful, the number of cases increased (as with any emerging and successful technology). ASHA contends attributing this increase to physician ownership of specialty hospitals is misleading.

“Dr. Mitchell failed to mention that the State of Oklahoma has a very ridged approval process for workers compensation cases as well as a strict case management procedure,” said B. Don Burman, CEO of Orthopedic Hospital of Oklahoma which was included in the study. “The information was taken from insurance claims not medical charts which would have validated the necessity for medical care.”

ASHA insists that specialty hospitals are an important component of healthcare, and the benefits they bring such as lower costs, lower complication rates and higher patient satisfaction are too important to be stifled by the protectionist policies of traditional hospital special interest groups. ASHA is asking Congress to ignore calls for a permanent moratorium on the development of specialty hospitals. For more information on ASHA, visit www.surgicalhospital.org or contact Carlos Vasquez at 775-852-9292 ext. 227 or via email at carlos@artassociates.com.

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