



AMA Letter to JAMA (unpublished) in response to March 7, 2007 editorial, “Physician-Owned Specialty Hospitals and Coronary Revascularization Utilization” and article “Opening of Specialty Cardiac Hospitals and Use of Coronary Revascularization Utilization in Medicare Beneficiaries”

March 22, 2007

To the Editor:

In light of *JAMA*'s recent article and editorial on specialty hospitals, I wish to make clear the American Medical Association's continued support for specialty hospitals. We believe, and evidence shows, that specialty hospitals are one way to provide patients with high-quality care.

A study published in *Health Affairs*¹ finds clear quality advantages in specialty hospitals. Risk-adjusted 30-day mortality rates were significantly lower for specialty hospitals than for community hospitals, and Medicare patients reported very high satisfaction. The study also found that specialty hospitals provide more net community benefits through uncompensated care and taxes than not-for-profit competitors as a share of total revenues.

A report by the commission that advises Congress on Medicare, MedPAC², found that specialty hospitals have no statistically significant impact on community hospitals' total revenue or total margins, and found no evidence that financial incentives play a role in increased utilization of heart surgery. MedPAC also found that Medicare patients had shorter than expected lengths of stay in specialty hospitals.

When patients are offered multiple high-quality options in where to obtain health care – including specialty hospitals – the entire health system benefits through competition that spurs innovation.

Sincerely,
William G. Plested III, M.D.
President
American Medical Association

¹ Greenwald, L., Cromwell, J. et al. Specialty Versus Community Hospitals: Referrals, Quality and Community Benefits. *Health Affairs*. January/February 2006.

² MedPAC, Report to the Congress: Specialty Hospitals Revisited, August 2006.