

Doctors with ownership in surgery center operate more often, study finds

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When doctors become invested in an outpatient surgery center, they perform on average twice as many surgeries as doctors with no such financial stake, according to a new study from the University of Michigan Health System.

"Our data suggest that physician behavior changes after investment in an outpatient facility. Through what some have labeled the 'triple dip,' physician owners of surgery centers not only collect a professional fee for the services provided, but also share in their facility's profits and the increased value of their investment. This creates a potential conflict of interest," says study author John Hollingsworth, M.D., M.S., a Robert Wood Johnson Clinical Scholar at the U-M Medical School.

"To the extent that owners are motivated by profit, one potential explanation for our findings is that these physicians may be lowering their thresholds for treating patients with these common outpatient procedures," Hollingsworth adds.

The study looked at all patients in Florida who underwent one of five common outpatient procedures: carpal tunnel release, cataract excision, colonoscopy, knee arthroscopy and myringotomy with tympanostomy tube placement (a procedure to insert tubes in the ear).

The researchers determined which doctors were owners of a <u>surgery</u> <u>center</u>. They then compared surgery use among owners in two time periods—before and after they acquired ownership—with that of



physicians who remained non-owners.

Results of the study appear in the April issue of <u>Health Affairs</u>. The findings include:

- Owners operated on an average of twice as many patients as nonowners.
- While caseloads increased overall between the earlier and later time periods for all physicians, the increases were more rapid and dramatic among owners.

The number of surgery centers has increased nearly 50 percent over the last decade, largely driven by the investment of physicians, who had a stake in 83 percent of these facilities. For doctors, investment may give them more control over their practice environment, from scheduling cases to purchasing surgical equipment. For patients, these centers often have shorter wait times than hospitals and may provide more amenities.

"There are some definite advantages for surgeons, as well as patients, associated with care at surgery centers. However, we need to better understand the implications of these new findings, in particular their overall effect on health care expenditures. Insofar as our results are due to lowered treatment thresholds, policymakers should consider, at the very least, requiring all physicians to disclose their financial interests to their patients," Hollingsworth says.

More information: Reference: Health Affairs, Vol. 29, No. 4, April 2010



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