

How is rural health care impacted when more doctors go to work directly for hospital systems?

September 19 2023



Credit: Matthew Modoono/Northeastern University

The rate of physicians going to work directly for hospital systems has doubled in the last 10 years, and a researcher wants to know how this

affects the delivery of health care, its quality and cost, especially in rural areas.

Brady Post, Northeastern associate professor, [health economist](#) and [health](#) services researcher in Bouvé College of Health Sciences, is to study the effects of hospital-physician [integration](#), when physicians become part of a hospital system, on quality and equity of care for [rural residents](#).

"American health care has shifted decisively toward integrated provider systems," Post says. "It merits urgent scrutiny."

Hospital-physician integration occurs when hospitals buy out private physician practices or when hospitals directly employ more primary care doctors and medical specialists such as cardiologists. The rates of integration, Post says, have nearly doubled in the span of a decade, and it will remain the dominant way for provider reorganization in the foreseeable future.

"Much care is consolidating into mega-delivery systems, with enormous implications for cost, quality and access," he says.

According to Post, policymakers have yet to understand the wide-reaching effects of this trend on patients, quality and cost of care.

Rural communities have different health needs than urban populations, Post says. They also experience different resource constraints such as shortages of health professionals, for example.

"If integration helps [rural communities](#), the spread of integration could indicate major gains in health," he says. "If not, policymakers must quickly form a response."

There might be different reasons why hospital systems and physicians may be interested in integration. Hospitals might be seeing a strategic reason in integration, Post says, because bigger systems can negotiate better reimbursement prices with insurance companies.

Physicians might choose to work for hospitals because they would have more resources there or, Post suggests, because they have a substantial medical school student debt. Having a private practice comes with a regulatory burden and the high cost of necessary electronic systems, he says.

Post believes that his research might show both positive and negative effects of hospital-physician integration on rural communities and on the whole of American health care. In 2019, in a review of the existing literature on the [economic theory](#) and empirical evidence of hospital-physician integration, Post discovered that [it poses a threat](#) to the affordability of health services.

"The American health care system relies on competition between providers," he says.

Higher competition for patients results in lower prices, while fewer providers can charge more for their services.

Health care integration might lead to longer waiting times, Post says, undersupply of services or impairment of the quality of services, if a physician, for example, is required to spend a fixed time on a patient.

There is reasonable evidence, Post says, that spending increases when integration causes a change in a type of treatment that a patient has been receiving or its intensity (for example, a more aggressive chemotherapy treatment). Patients whose care was managed by a hospital-integrated cardiologist, his research published in the journal *Health Affairs*

showed, [were much more likely](#) to receive high-intensity, hospital-based coronary interventions than those whose care was managed by an independent cardiologist.

In 2022, Post found that providers tended to upcode the severity of a patient's illness in a hospital-integrated setting. The increases in severity were not driven by physicians seeing sicker patients nor by patients seeing physicians more often.

"Most patients would expect that they are receiving care according to their symptoms," Post says. "A more serious diagnosis results in more expensive care."

At the same time, better coordination of services within an integrated system might improve the quality of care, make getting a referral or access to such tests as an MRI faster and enhance diagnosis and monitoring of patients' medical conditions.

Post will be mentored by Gary Young, professor of strategic management and health care systems and director of the Center for Health Policy and Healthcare Research at Northeastern, and Laura Senier, associate professor of sociology and health sciences and a national leader in using qualitative and mixed-methods techniques to study the integration of evidence-based practices into public [health policy](#).

To gain expertise in rural health needs, Post intends to not only use existing Medicare data, but interview patients to see how satisfied they are with their care.

"There has been a lot of good work done on the secondary data but no one has actually tried to get and use information that comes directly from patients," Post says.

More information: Brady Post et al, Hospital-Physician Integration Is Associated With Greater Use Of Cardiac Catheterization And Angioplasty, *Health Affairs* (2023). [DOI: 10.1377/hlthaff.2022.01294](https://doi.org/10.1377/hlthaff.2022.01294)

Provided by Northeastern University

Citation: How is rural health care impacted when more doctors go to work directly for hospital systems? (2023, September 19) retrieved 27 April 2024 from <https://medicalxpress.com/news/2023-09-rural-health-impacted-doctors-hospital.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.