

# Greater financial integration generally not associated with better healthcare quality

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The COVID-19 pandemic has led to severe financial stress for both hospitals and physician practices, raising serious concerns that many may either close or be purchased by larger organizations. Such consolidation is well-recognized to lead to higher prices. Whether it will lead to better quality of care is less clear.

A new study published in the August Issue of *Health Affairs*, based on the first comprehensive national survey of physician practices, hospitals and health systems, found that larger, more integrated systems do not generally deliver better quality. "We looked at a broad range of quality measures and compared independent hospitals and practices with those owned by different kinds of health systems," said Elliott Fisher, MD, MPH, lead author and professor of medicine and health policy at Dartmouth. "In no case was ownership by larger, more complex [health](#) systems associated with better quality."

Another key finding from the study was the remarkable degree of variation in quality scores across hospitals and physician practices,

regardless of whether they were independent or owned by larger systems. "This degree of variation points to tremendous opportunities to improve the quality of care in both hospitals and practices," said Stephen Shortell, Ph.D., Professor of the Graduate School, University of California, Berkeley. "We must continue to put in place the incentives and programs needed to drive improvement."

The research team assessed the degree to which hospitals and physician practices under several different ownership structures—including financial independence and financial integration with larger [health systems](#)—adopted care delivery and payment reforms intended to improve quality. They analyzed data from the National Survey of Healthcare Organizations and Systems, which included responses from 2,190 [physician practices](#) and 739 hospitals that were collected between June 2017 and August 2018. The surveys included questions about care for complex, [high-need patients](#); participation in quality-focused payment programs; screening for clinical conditions and [social needs](#); and use of registries and evidence-based guidelines.

"The policy implications of this research are clear," said Carrie Colla, Ph.D., professor of [health policy](#) and clinical practice at Dartmouth, who worked as a policy advisor in Congress during a recent sabbatical. "With COVID-19 wreaking financial havoc on smaller healthcare organizations, policy makers—both at the federal and state levels—should ensure that purchases of practices and hospitals adhere to current antitrust law. They should also consider financial support for those most threatened by the pandemic."

**More information:** *Health Affairs* (2020). [DOI: 10.1377/hlthaff.2019.01813](https://doi.org/10.1377/hlthaff.2019.01813)

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