

Do Hospital Networks Improve Outcomes, or Just Provide a Halo?



By Chuck Dinerstein — March 13, 2019



One of the hallmarks of the changing healthcare landscape is consolidation, in insurance offerings, medication plans, physician groups, and hospitals. The rationale for many is to gain the financial benefits of scale and improve care. As I have written before, some hospital affiliates are tightly bound, others more about branding to spread and use of halo of quality associated with the anchor hospital of the network. While consolidation has surely aggregated purchasing power and leverage with insurance companies, the record on real savings is checkered. Turns out, at least according to a new study in *JAMA Surgery*, the quality outcomes for hospital consolidations are checkered as well.

The authors looked at sixteen US News and World Report “Honor Roll” hospitals that anchored health systems. They restricted their study to Medicare beneficiaries undergoing three high-frequency surgical procedures, colectomy (removing part of the large intestine), CABG (bypass of coronary arteries), and hip replacement. Additionally, using Honor Roll hospitals is a two-edged sword, it restricts the study primarily to academic centers (involved in about 20% of mergers), but these are the thought leaders, the well-known, often heavily advertised – the beacons in patient’s choice of care.

The outcomes of interest were significant complications as coded at discharge, deaths within 30 days of surgery, readmission within 30 days of discharge, and “failure to rescue” a term used to describe a patient death in which at least one complication has been previously identified. The anchor, Honor Roll, hospitals differed from their network affiliates in performing more emergency surgery and more CABG; comorbidities were not significantly different within network affiliates.

The Honor Roll hospitals, as a group, had more complications compared to the affiliate hospitals

again considered as a group. On the other hand, the rates of failure to rescue were lower (a better outcome) in the Honor Roll hospitals. Let's put it this way, you had a greater chance of a complication in the Honor Roll hospital of a network, but a better chance of surviving that complication. It does suggest that in some sense, practice does make perfect.

But the question to be answered was how well did the network affiliates perform compared to their anchoring Honor Roll hospital? Was the network just branding or did overall care improve or at least standardize?

For each of the outcomes, the performance of the affiliate in comparison to their Honor Roll namesake varied widely from almost the same to three or four-fold worse or better. And the length of time an associated hospital belonged to the network, presumably incorporating the practice standards of the Honor Roll hospital, had little effect, outcomes still varied widely into that three to a four-fold range. Bottom line, in many instances, but not all, networks anchored by these honor roll hospitals provided the halo of quality but not the goods.

There are a variety of possible reasons quality improvement does not flow equally throughout a network; where the hospital started in terms of quality, its local work culture, the tightness of its affiliation, whether high-risk patients are transferred into the anchor hospital are all possible variables. I have described these hospital affiliates in the past as biosimilars to the anchor hospital, it appears that the similarity is in many cases skin deep; and that caveat emptor, the buyer beware, still applies.

Source: Variations in Surgical Outcomes Across Networks of the Highest-Rated US Hospitals
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