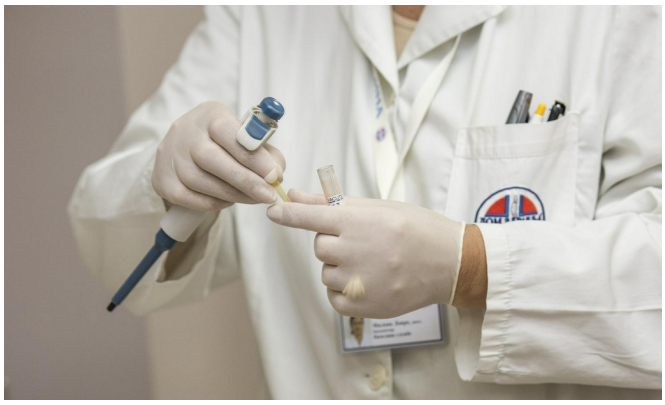
New research highlights the role and impact of integrated health systems in U.S.

8 December 2020, by Diane Farley



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Health care delivery in the United States is complex and often problematic—it is costly, short on quality, and inequitable. A team of researchers suggest one potential remedy may be found in integrated health systems, a type of organization that has grown significantly in recent years and often includes hospitals, doctors and others.

According to the researchers, an integrated health system, in theory, can mean smooth hand-offs and seamless navigation for patients; opportunities to improve quality and reduce administrative burden for clinicians; and, for policymakers, the possibility of improving quality while reducing costs. To date however, evidence about whether health systems are having the intended impact has been limited.

In a recently released issue of *Health Services Research*, 10 peer-reviewed journal articles examine health systems from multiple perspectives, including impacts on quality, costs, and efforts to reorganize care delivery. Collectively, the findings reveal that health care systems in their current form are not yet a cure for the problems that ail health care in the United States.

Dennis Scanlon, professor of health policy and administration at Penn State and a co-editor of the volume, along with Michael Furukawa of the U.S. Agency for Healthcare Research and Quality (AHRQ), said the findings have important implications for policymakers, health care regulators, payers and patient advocates. The issue was sponsored by AHRQ.

In his expert commentary included in the journal and based on a review of the published findings, Dr. David Blumenthal, president of the Commonwealth Fund and former National Coordinator for Health Information Technology in the U.S. Department of Health and Human Services, highlighted that under the predominant reimbursement model—paying for each individual health care transaction rather than incentivizing value and quality more broadly—health system boards of directors may be more focused on financial performance than on patient outcomes.

According to Blumenthal, "The lesson may be that integration is one tool that can be successful or unsuccessful depending on the incentives and motives of leaders. The simple part is bringing organizations together in markets. The difficult part is the creation of lasting, meaningful change in front-line care processes. These will only occur if the incentives are in the right places."

In a second expert commentary based on the published findings in the journal, Richard Kronick, professor in the Herbert Wertheim School of Public Health at the University of California, San Diego, and former director of AHRQ, suggested that while the emergence of integrated health systems has the potential to improve equity, quality and efficiency of health care delivery, these benefits are unlikely to be realized absent good policy and regulatory oversight.

Kronick's commentary highlights both the promises as well as potential pitfalls of policymakers and

regulators authorizing the formation of large health care systems. On the plus side, organized systems could benefit from economies of scale associated with investments in information technology and care management systems, including the use of patient-centered outcomes research evidence, according to Kronick.

However, consolidation into large systems could also result in higher prices and decreased autonomy for physicians and other health care providers. To realize the potential value of health systems, Kronick argued, two specific policy changes are critical.

First, payment models need to move away from fee-based reimbursement and towards population-based reimbursement, said Kronick. Second, more transparency is needed to shed light on the comparative performance of health systems with an emphasis on system performance in improving health equity.

The 10 research papers published in the volume utilize different data sources and analytic approaches to focus on various aspects of health care performance, for example:

- Trends in the formation of health systems, including the impact of systems' formation on physician practices in markets, as well as consolidation in particular sectors, such as the home health industry.
- The degree to which "integration" is occurring, and results in better coordination of patient care across acute care, ambulatory care and specialty care services, and within the organizational and management processes of organizations.
- Variation in the governance and ownership structures across health systems, including the degree to which operational and business functions are standardized across individual units.
- The extent to which patient care management processes are being redesigned and improved, and whether specific outcomes, such as a reduction in health care disparities or reductions in health care costs are being realized.

AHRQ, the lead federal agency tasked with improving the safety and quality of the U.S. health care system, supported this research by establishing the Comparative Health System Performance (CHSP) Initiative which funded the work published in this volume. The CHSP established three research centers of excellence—the Dartmouth College Center, the RAND Center and the NBER Center—with each taking different approaches to studying the landscape, impact and trends in health systems, including the factors that affect health systems' use of patient-centered- outcomes research evidence.

More information: Carrie Colla et al, Organizational integration, practice capabilities, and outcomes in clinically complex medicare beneficiaries, *Health Services Research* (2020). DOI: 10.1111/1475-6773.13580

Provided by Pennsylvania State University