Physician-Owned Surgical Hospitals Outperform Other Hospitals in Medicare Value-Based Purchasing Program

Source: *Journal of the American College of Surgeons* 2016;223:559-567. Adriana G. Ramirez, MD, Margaret C. Tracci, MD, JD, FACS, George J. Stukenborg, PhD, Florence E. Turrentine, PhD, RN, Benjamin D. Kozower, MD, MPH, FACS, R. Scott Jones, MD, FACS. Read full study at [http://www.journalacs.org/article/S1072-7515\(16\)30720-7/abstract](http://www.journalacs.org/article/S1072-7515(16)30720-7/abstract)

Background

The Hospital Value-Based Purchasing Program measures value of care provided by participating Medicare hospitals and creates financial incentives for quality improvement and fosters increased transparency. Limited information is available comparing hospital performance across health care business models.

Study Design

The 2015 Hospital Value-Based Purchasing Program results were used to examine hospital performance by business model. General linear modeling assessed differences in mean total performance score, hospital case mix index, and differences after adjustment for differences in hospital case mix index.

Results

Of 3,089 hospitals with total performance scores, categories of representative health care business models included 104 physician-owned surgical hospitals, 111 University Health System Consortium, 14 US News & World Report Honor Roll hospitals, 33 Kaiser Permanente, and 124 Pioneer accountable care organization affiliated hospitals. Estimated mean total performance scores for physician-owned surgical hospitals (64.4; 95% CI, 61.83–66.38) and Kaiser Permanente (60.79; 95% CI, 56.56–65.03) were significantly higher compared with all remaining hospitals, and University Health System Consortium members (36.8; 95% CI, 34.51–39.17)

performed below the mean ($p < 0.0001$). Significant differences in mean hospital case mix index included physician-owned surgical hospitals (mean 2.32; $p < 0.0001$), US News & World Report honorees (mean 2.24; $p = 0.0140$), and University Health System Consortium members (mean 1.99; $p < 0.0001$), and Kaiser Permanente hospitals had lower case mix value (mean 1.54; $p < 0.0001$). Re-estimation of total performance scores did not change the original results after adjustment for differences in hospital case mix index.

Conclusions

The Hospital Value-Based Purchasing Program revealed superior hospital performance associated with business model. Closer inspection of high-value hospitals can guide value improvement and policy-making decisions for all Medicare Value-Based Purchasing Program Hospitals.

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