

New Analysis of Physician-Owned Hospitals Highlights Cherry-Picking Lucrative Patients While Delivering Lower Quality Care

A [new analysis of data compiled by Dobson | Davanzo](#) and commissioned by the American Hospital Association and Federation of American Hospitals underscores why Congress chose to ban the establishment of new physician-owned hospitals (POHs) in 2010.

The analysis looks at operating, financial and patient characteristics of both types of hospitals and shows marked differences both in the patients seen and profits derived.

In terms of patients, the analysis concluded that from 2020-2021, POHs generally treated patients that were younger, less medically complex, more affluent, and less likely to be racial minorities than those seen in non-physician-owned hospitals. They also served fewer Medicaid patients and delivered less emergency care as a percentage of the overall care provided.

Unsurprisingly, POHs on average, had lower uncompensated care and margins 15 times higher than non-POHs. And yet, despite all this cherry-picking of easier patients and services, POHs had notably worse readmission penalties than non-POH hospitals, calling into question the quality of care they deliver.

Even with all this evidence reaffirming the ban on establishing new physician-owned hospitals, certain members of Congress seem intent on exploring a lift on the ban (see related story in this issue of *The Valued Voice* - [Skewed Claims About Hospital Price Transparency Debunked at E&C Hearing](#)).

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