

Specialty hospitals not more cost-efficient than full-service hospitals

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One of the most notable recent developments in the U.S. hospital industry is the rapid rise of small hospitals specializing in cardiac, orthopedic, or surgical services which have tripled in number over the past 15 years. A new study in *Health Services Research* compared the costs of physician-owned specialty hospitals with those of full-service hospitals. Results show that specialty hospitals are not more cost-efficient than the full-service hospitals with whom they compete.

Results show that orthopedic and surgical specialty hospitals appear to have significantly higher levels of cost inefficiency. This effect was not observed among cardiac specialty hospitals.

"We do conclude from our analysis that policy makers should not adopt the assumption that physician-owned specialty hospitals produce patient care more efficiently than their full-service competitors," the authors note.

Source: Wiley-Blackwell

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