

## Part B Insider (Multispecialty) Coding Alert

### Physician-Owned Specialty Hospitals Threaten Community Hospitals

Your physician's cardiac, orthopedic or surgical specialty hospital may be chipping away at your community hospital's profitability, according to a new study.

Also, competition for high-profit cases is leading community hospitals to leave quality and efficiency measures on the back burner, according to a Jan. 25 study from the **Center for Studying Health System Change**.

Policymakers have been debating whether specialty hospitals hurt community hospitals, and whether they in fact meet the definition of a "hospital." The **Centers for Medicare & Medicaid Services** last year extended a moratorium on allowing physician-owners of specialty hospitals to refer Medicare patients to their hospitals.

**Conflicts of interest:** Physicians who own or invest in specialty hospitals may find it difficult to balance clinical decisions with financial ones. Physician-owners' influence on patient flow could lead them to steer the most profitable cases to their specialty hospitals, and away from the community hospitals. Specialty hospitals have a financial interest in avoiding patients who are underinsured or uninsured.