Invited Commentary

Silent Cost of Private Equity Hospitals

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As private equity acquisition of acute care hospitals increases across the US,[1,2] it is time we examine not only the finance differentials of hospital ownership, but also the cost for patient surgical outcomes. Quality of care has appropriately become a hot topic over the past few decades, and the spectrum of hospital systems and ownership can fly under the radar of quality investigations. Some areas to examine are surgical case volume, patient care between private equity–acquired and nonacquired hospitals, and the negative (or positive) impact on outcomes for complex cases.

Related article

In their study, Williams and colleagues[3] provide a deep dive into postoperative outcomes after esophagectomy between nonacquired and private equity–acquired hospitals among Medicare patients. The take-home message is that outcomes are concerningly worse within private equity–acquired hospitals, which have almost double the 30-day mortality rate of nonacquired hospitals (8.1% vs 4.9%, respectively), in addition to higher rates of hospital readmissions, serious complications, and failure to rescue.

It is important to note that Williams and colleagues'[3] study notably used patients covered by Medicare, and thus their cohort was limited to patients older than 65 years. Older adults have previously been shown to have increased overall complications following esophagectomy.[4] Furthermore, overall rates of esophagectomies were low in this cohort, somewhat limiting the generalizability both to younger adults and to high-volume academic centers. However, among hospitals with low volume, nonacquired hospitals still outperformed private equity–acquired hospitals, as shown in the sensitivity analysis. This result stands in contrast to outcomes for medical conditions among Medicare beneficiaries.[5]

What are the next steps to address this perioperative problem? Some hospital-level factors, such as decreasing nurse to patient ratios and implementation of Enhanced Recovery After Surgery protocols, may shift the pendulum slightly, but are these factors enough? For now, benchmarks are warranted. Increased participation among private equity hospitals in surgical databases, such as the Society of Thoracic Surgery database, may allow programs to reconsider what cases they perform. Further investigation into outcomes among adults younger than 65 years is also warranted.

The message from this article[3] is the necessity to keep an eye not only on esophagectomy outcomes, but also on all complex surgical procedures among hospital types, and to raise the alarm if needed. Either private equity–acquired hospitals need to invest in quality databases, hire more staff, and educate staff on perioperative care, or they need to recognize the private inequity they are providing for complex cases.

ARTICLE INFORMATION

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Published Online: January 2, 2025. doi:10.1001/jamasurg.2024.5983

Conflict of Interest Disclosures: None reported.

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