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Docs join hospitals for higher Medicare payments

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With hospitals getting higher reimbursements than individual doctors for specialty services, more physicians are selling their practices to local hospitals, Bloomberg [reported](#).

Under hospital employment, physicians can earn up to three times more for the same tests and procedures they performed in private practice. Hospital-owned practices also enjoy more bargaining power with private payers to negotiate lower prices.



Doctors in Wisconsin, for instance, are making the jump to hospital employment, the article noted. In fact, private practice cardiologists now total only 11 percent, down from 62 percent of heart doctors in 2007, according to the American College of Cardiology.

Those numbers seem to reflect a new reality. Nationwide, [hospital employment has practically tripled from 8 percent in 2007 to 24 percent in 2012](#), while physician-owned practices dropped from 73 percent in 2007 to 60 percent now, according to a [survey](#) released in September by the ACC, *FierceHealthcare* previously reported.

Critics [blame price increases on hospital-practice consolidation](#). Although it raises costs in the short term, doctors joining large hospital systems eventually leads to higher-quality and more coordinated care, according to Bloomberg.

But as physicians continue to migrate from private to hospital-owned practices, patients are becoming more selective about which facilities they choose and paying attention to ownership. The resulting higher out-of-pocket costs of hospital-owned practices may drive away patients to retail clinics, *FiercePracticeManagement* previously [reported](#).

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- read the Bloomberg [article](#)

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