Comparative Health System Performance Initiative

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Data Highlight, No. 5 January 2019

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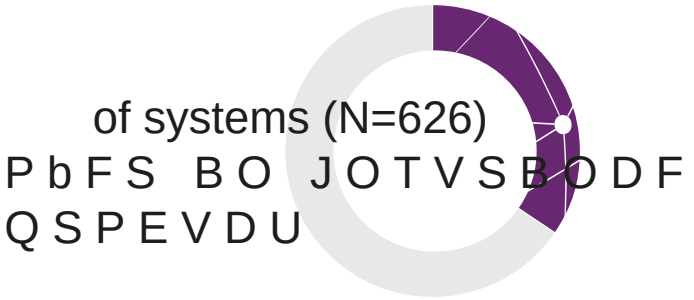
Nearly 4 in 10 systems o er an insurance product.
HMO and PPO products are more common than indemnity fee-for-service plans.



1FSDFOUBHF PG TZTUFNT PbFSJOH BO insurance product, by type of product

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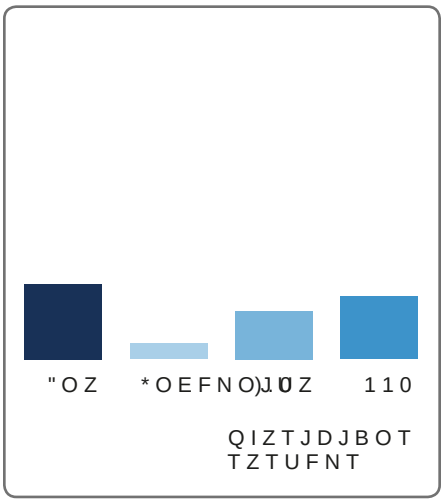
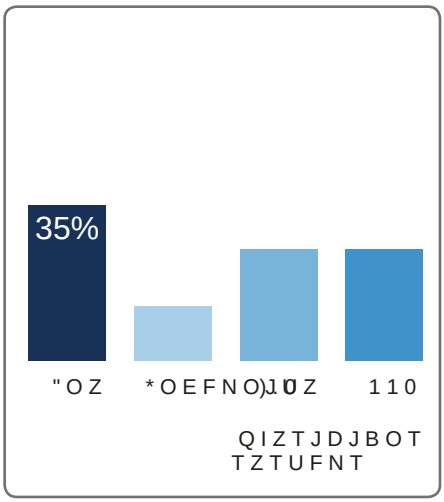
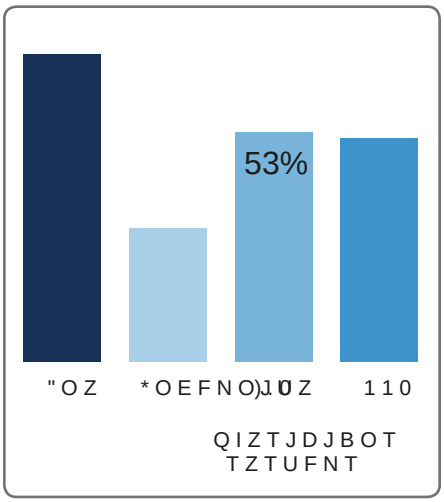
Systems with more physicians are more likely to o er an insurance product. Across systems of all sizes, HMO and PPO products are more common than indemnity fee-for-service plans.







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is analysis is based on the Compendium of U.S. Health Systems, 2016, which presents a list of U.S. health systems. To operationaize the de nition of health systems described above, we identi ed systems using the following data sources:

- American Hospital Association (AHA) annual survey of hospitals data, 2015
- SK&A integrated health system database, 2016
- QuintilesIMS™ Healthcare Organization Services (OneKey Organizations [HCOS]), 2016

In addition to being identi ed in one of the data sources, systems had to meet these three criteria to be included in the nal list: have at least one non-Federal general acute care hospital; have 50 or more total physicians; and have 10 or more primary care physicians.

We used the 2015 American Hospital Association (AHA) Annual Survey Database to construct the measure of whether a system o ered any insurance product. We used responses to the following AHA survey question: "Does your hospital, health system or health network have equity interest in any of the following products?" e types of insurance products that a respondent can report are health maintenance organization (HMO), preferred provider organization (PPO), and indemnity fee-for-service plan. e survey asked whether the hospital or health system had an equity interest in each of those products or a joint venture with an insurer. We constructed a system-level variable equal to one if at least one non-Federal general acute care hospital within the system reported having HMO, PPO, or indemnity fee-for-service activity within their own hospital, within their system, or as a joint venture with an insurer. Twenty-six of the 626 systems are missing data on whether the system or one of its hospitals o ers an insurance product. We used systems with non-missing insurance product data to report the percentage of systems that o er an insurance product.

Health system types were calculated using data from the Centers for Medicare & Medicaid Services' Healthcare Cost Report Information System (HCRIS) and re ect all U.S. non-Federal general acute care hospitals. Health system types are de ned as follows:

- Ownership: Systems are categorized as primarily public, nonpro t, or investor owned based on the majority of non-Federal general acute care hospital beds in the system. We compared HCRIS data on investor-owned status to AHA data on investor-owned status. For cases in which the two data sources disagreed, we considered the system to be not investor owned. For systems with missing HCRIS ownership data, we lled in information from the AHA annual survey.
- Teaching: Systems are categorized as nonteaching, minor teaching, or major teaching based on their resident-to-bed ratio across systems' non-Federal general acute care hospitals. Systems with no residents are considered nonteaching systems, systems with a resident-to-bed ratio greater than zero but less than 0.25 are considered minor teaching, and systems with a resident-to-bed ratio greater than or equal to 0.25 are considered major teaching systems.
- Safety net systems: Systems are categorized as serving the safety net using two measures: (1) systems with a high systemwide uncompensated care burden calculated as the ratio of total uncompensated care to total operating expense across systems' non-Federal general acute care hospitals and (2) systems with at least one hospital with a high DSH patient percentage. In both cases, "high" is de ned as the top quintile among U.S. health systems.
- Children's systems: Systems are categorized as having no children's hospitals, having a children's hospital but not predominately serving children, and predominantly delivering care at children's hospitals. Systems are considered to predominately serve children if a majority of non-Federal general acute care hospital beds in the system are in children's hospitals.

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Because the list largely relies on the de nitions of systems in the three data sources and systems' members speci ed in the data, systems may be included in this analysis that may not precisely align with the working de nition. Similarly, we approximate delivery of comprehensive care using the hospital and physician type and count information, which may lead to inclusion of systems that do not provide comprehensive care in the manner intended by the de nition. Further, we rely on hospital reporting in the HCRIS data for the system types and attributes, for which information about some hospitals is missing.

Our approach to measuring whether the system o ered an insurance product relied on self-reported data. As with all self-reported data, the accuracy of the measure depends on the knowledge of the respondent and the meaning the informant ascribes to key terms such as joint venture, system, and equity interest. Although some systems were missing data for one or more hospitals, our analyses suggested that missing data on insurance products was not a major problem for most systems on the list.

For more information about the methodology to construct and analyze the national list of health systems and a more detailed summary of caveats and limitations, visit: https://www.ahrq.gov/chsp/compendium/technical-documentation.html.

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